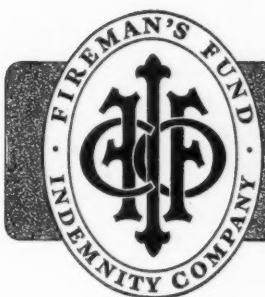


The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, FEBRUARY 9, 1933



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and STABILITY

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T H E T R A V E L E R S

THE TRAVELERS INSURANCE COMPANY

HARTFORD

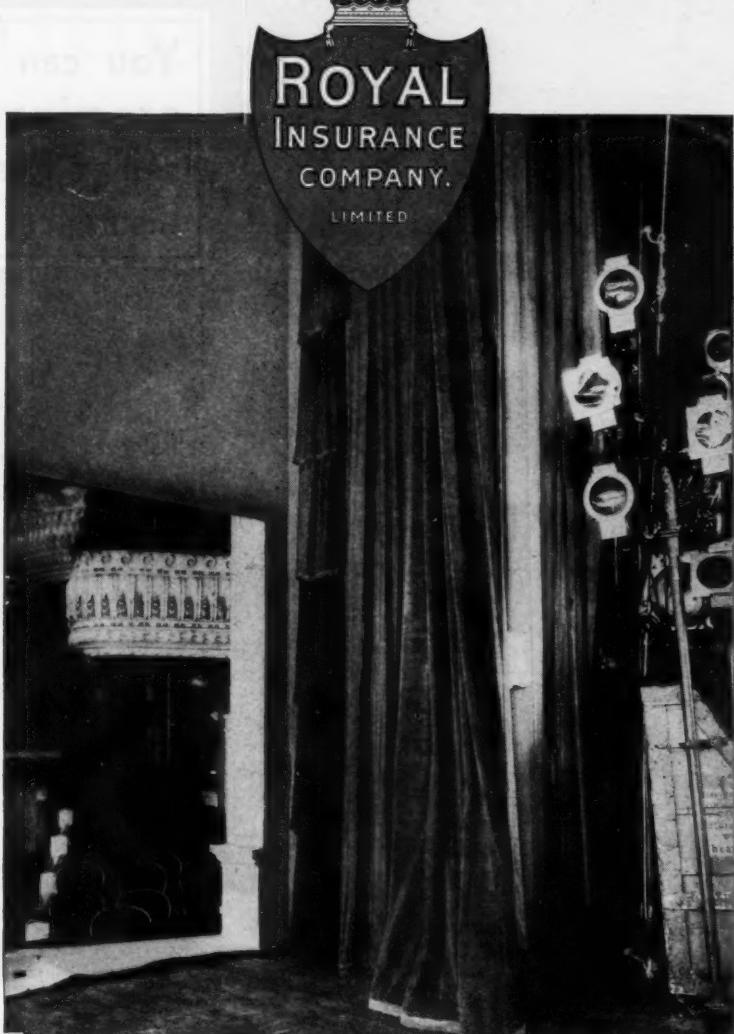
THE TRAVELERS INDEMNITY COMPANY

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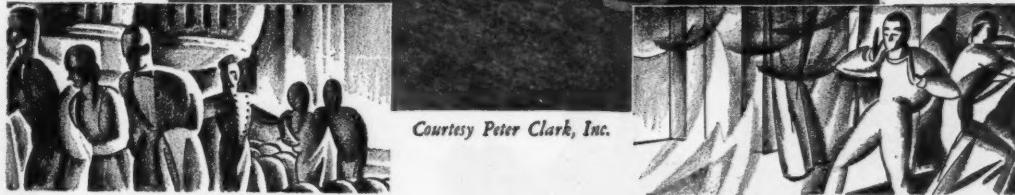
THE TRAVELERS FIRE INSURANCE COMPANY

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MONTRÉAL

The National Underwriter

Thirty-Seventh Year—No. 6

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 9, 1933

\$4.00 Per Year, 20 Cents a Copy

F.U.A.P. Gathers in San Francisco

David A. McKinley Elected President—Clarence E. Allan Is Vice-President

PRESENT VARIOUS VIEWS

Blue Goose "Big Show" and Annual Banquet Popular Features—Inspection Is Theme

By AGNES VERA BOWYER

SAN FRANCISCO, Feb. 8.—Built around the theme "introspection" and the lessons learned during the "depression years," the 57th annual meeting of the Fire Underwriters Association of the Pacific opened here yesterday. From the viewpoint of the company executive, field man, agent, organization manager, attorney, general agent and the insurance buyer, these problems and lessons were developed into a well-rounded picture, which depicted the experience of the past as guideposts for the future.

David A. McKinley, Seattle, was elected president; Clarence E. Allan, Goodwin & Allan, San Francisco, vice-president, and H. B. Mariner, assistant manager American of Newark, was re-elected secretary-treasurer. Executive committeemen are: J. H. Martin, immediate past president, Home of New York, chairman; W. H. Gibbons, Edward Brown & Sons; G. E. Townsend, Fireman's Fund; G. V. Lawry, Travelers; D. A. McKinley. W. C. Frost, Fireman's Fund, was elected educational committee chairman to serve with J. T. Thomas, Pacific Board; R. E. Swearingen, America Fore, and C. A. McNeill, representing the associate members. Mr. McKinley is special agent at Seattle for the Royal.

To avoid delay and to devote as much time as possible to presentation of the various papers, reading of reports of the officers, with the exception of the president's, were dispensed with, President J. H. Martin having had these printed for distribution to association members.

In his annual address, President Martin sounded a note of optimism for the future, pointing, however, to present definite trends with the admonition that the universal recognition of these trends is part and parcel of current progress.

Agency balances, he said, is "probably one of the most pressing problems. There is no question but that the companies will have to insist upon the premiums being paid by the agent when due or the policy involved cancelled. Another phase of this matter is that the companies are realizing that an altogether undue portion of the field man's time has been devoted to the collection of premiums, which fact has affected very materially the production of new business, which, after all, is the first and

(CONTINUED ON PAGE 34)

Sales Vitamins, A-Z, Given at Pittsburgh Gathering

Concentrated Production Points on All Lines at Two-Day Congress

By LEVERING CARTWRIGHT

As concentrated a dose of real fire and casualty sales advice as has been administered in organization meetings was heard at the conference of the Pittsburgh Insurance club Monday and Tuesday preceding the seventh annual dinner of the club. For good measure there were three life insurance speakers. Every speaker was saturated with his subject, was enthusiastic, forceful and arresting. Nearly 1,000 turned out for the sessions.

C. A. Reid of Wallace M. Reid & Co., general chairman of the conference, presided Monday morning. The first speaker was E. J. Schofield, vice-president of the Globe Indemnity, polished, trim, master of gesticulation, persuasive. He emphasized the need for selling insurance today instead of merely standing by to take insurance that is placed because of "legal duress."

C. D. Minor's Ideas

He was followed by Claude D. Minor, superintendent of the Liverpool-Royal group, who is a genuine fan for the fire insurance sidelines and espouses explosion, riot and civil commotion with particular warmth.

R. I. Caltin, assistant vice-president of the Aetna Casualty, a serious New Englander, cited the challenge to agents implied in the fact that only one-third of the motorists are insured for public liability.

A. M. Holtzman, director of field service for the Continental Casualty, a salesman to his toes, had his audience convulsed with laughter and then wrapt in sentiment as he uncovered brilliant sales technique in accident and health insurance.

Luncheon Gathering

At noon Monday many of the fire and casualty men as well as life attended a luncheon which was addressed by C. S. Dixon, assistant superintendent of agencies for the Travelers. He was introduced by Jay M. Holmes, accident and life manager at Pittsburgh for the Travelers. Mr. Dixon stimulated great interest in his presentation of the opportunities for selling pensions or retirement income plans to corporations today.

After lunch, at the general session, Wade H. Heavey, agency instructor for the Equitable Life of New York, led off with a plea for organized methods in 1933 that made the welkin ring. Then came E. C. Sparver, director of agencies for the Reliance Life of Pittsburgh, who said that there is plenty of stimulus to action if an idealized conception of the idea of life insurance is attained.

Nathan Mobley, assistant secretary of the U. S. Casualty and resident vice-president in New York for the New Amsterdam Casualty, expounded the

(CONTINUED ON PAGE 10)

Array of Executives Is Seated at Head Table During the Banquet

The speakers' table at the annual dinner of the Insurance Club of Pittsburgh Tuesday evening was the longest ever set up in the William Penn Hotel and behind it was a glittering array of insurance executive talent. About 660 persons attended the function.

An innovation was the presentation by E. E. Cole, Jr., of service medals to executives who have been regular attendants at this dinner, two of whom had been present at the seven such functions, which the club has conducted, they being N. A. Weed, president of the Globe & Republic, and C. A. Nottingham, assistant United States manager Liverpool & London & Globe. Others who had attended three or four of the dinners were J. G. Yost, assistant secretary of the Fidelity & Deposit; H. F. Ogden, vice-president Fidelity & Guaranty Fire; F. W. Hoffrogge, vice-president New Amsterdam Casualty, and Harold Warner, United States fire manager of the Royal-Liverpool group.

Cole Is In Charge

Mr. Cole was in charge for the introduction of those at the head table. He turned the gavel over to Holgar Johnson, general agent for the Penn Mutual Life, who acted as toastmaster. Incidentally Mr. Cole and Mr. Johnson are brothers-in-law.

W. H. Bennett, secretary of the National Association of Insurance Agents, who held the close attention of his audience by his criticism of the Reconstruction Finance Corporation and its transactions with the Union Indemnity, was the first speaker.

Clarence Axman, editor of the "Eastern Underwriter," followed with a breezy and informed talk on world affairs.

Dunham Final Speaker

Col. Howard P. Dunham, commissioner of Connecticut, was the final speaker and he touched off the evening in a light and humorous vein as well as by giving advice, which is always easy to take from him. Speculative and unwise investments on the part of insurance companies must be stopped, he said.

Col. Dunham paid his respects to the overdue balance and free insurance situation. In 1931, overdue balances amounted to \$32,250,000 and last year the figure, he said, will prove to be 25-40 percent greater. He pointed out that the fire companies would not have been compelled to contribute some \$80,000,000 to surplus had their balances been collected.

Free insurance, he said, must be curbed. There is no legitimate reason why overdue balances should have doubled in the last few years while retail collections have been only six percent lower. Radical legislation, indicative of what is in store unless the situation is corrected, has been proposed in New

(CONTINUED ON PAGE 10)

Stricter Balance Rules Imperative

Belgrano Stresses Seriousness of
Collection Situation in
Coast Talk

CONDEMNS LAX METHODS

Rate Schedules Do Not Provide for
Huge Losses for Non-Collection
of Premiums

SAN FRANCISCO, Feb. 8.—The necessity for correcting the present lax system of premium collections and payment of agency balances was stressed by Frank N. Belgrano, Jr., president Pacific National Fire, in his talk to the Fire Underwriters Association of the Pacific meeting here. The 2 percent underwriting profit which the companies have realized over a span of years is entirely too small and not a fair return. It is desirable that the companies invest their funds in high grade, marketable securities of moderate yield. But if the companies are to be conservative in investments, it is necessary that underwriting income be increased. The existing fire insurance credit situation is a serious concern to everyone in the business, Mr. Belgrano said, and the solution can be accomplished only by co-operation of both companies and agents.

Non-Cancellation Losses Not Covered

The premium rates which have been established for the protection offered do not contemplate losses incurred for the non-payment of premiums. Under the present system thousands of agents representing insurance companies are today insolvent although their accounts with their various companies are paid in full in accordance with existing credit rules. It has long been the practice of many agents to pay their current premiums due the company with premiums collected from other assureds which are not yet due and payable to the company. This system encourages the unsound practice in agencies of operating on funds which rightfully belong to the carrier.

The general tendency of our entire business has been lower premiums for the carrier and higher commissions to the agents. Today's rate of commission should be ample to afford sufficient profit to the agent in the conduct of his business. If steps were taken to establish the rule that the company receive its premium on the effective date of the policy it would do more for the stabilization of the business in the hands of proper agents than any other step that might be taken. It would immediately disqualify the agent who has continued the practices I have already referred to, and the business would eventually be left in the hands of responsible agents who are not depending on company funds to conduct their offices.

"In addition to the elimination of loss
(CONTINUED ON PAGE 34)

Expect Action on Cigarette Losses at Spring Meetings

SMALL CLAIMS TROUBLESOME

Cook County Adjustment Bureau Alone Handles 500 Losses a Month
—Blame Women

At the spring meeting of the Western Underwriters Association and the Western Insurance Bureau, it is probable that definite action of some sort will be taken which will result in the practical elimination of the payment of cigarette losses. The companies belonging to these two organizations are believed ready to adopt a clause eliminating cigarette losses, or a deductible clause which will have the effect of removing the minor cigarette claims for small amounts which now cause most of the trouble. If any action of this kind is taken, it will undoubtedly be made to include claims arising from electric iron burns, which are similar in a general way to cigarette claims.

Seek Relief From Small Claims

With premiums still on the decrease and losses showing no signs of receding, the companies operating in the middle west are determined to take some action that will relieve them from the claims that are pouring in on them constantly for damages caused by cigarettes to tablecloths, chairs, carpets, upholstered furniture, rugs, table tops, etc. The careless smoker leaves a lighted cigarette on a table, and as a consequence there is usually a hole burned in the tablecloth and the highly polished table is frequently damaged because of scorching. Companies are constantly being importuned to pay for the refinishing of furniture of one kind or another damaged in this way. Cigarettes thrown or dropped upon carpets, rugs or upholstered furniture, will cause almost immediate damage. Practically all of these claims are sent in even though fire does not ensue. It is upon this point that the companies feel justified in denying liability and in specifically excluding liability.

Women Cause More Damage

Those who have given a special study to this situation say that cigarette losses have become serious only in recent years since smoking among women has been so widespread. It is claimed, in fact, that most of the losses result from carelessness on the part of women smokers rather than men.

There has been pressure on the part of some agents and brokers to have the companies continue to pay these claims, but it is evident that the tendency of the companies is in the direction of instituting some change or reform.

The figures of the Cook County Loss Bureau relating to cigarette losses in 1932 are interesting, especially when it is considered that they represent only the companies belonging to the bureau, and that the bureau's figures are only on Cook county claims. Altogether there were 6,205 cigarette losses, amounting to \$134,857. Of these 4,768 were for \$25 or less; 1,067 were for from \$25 to \$50; 288 were for from \$50 to \$100; 82 were from \$100 to \$200. In January of this year the Cook County Loss Adjustment Bureau reported 534 cigarette losses amounting to \$11,083. These January figures taken together with those of 1932 indicate clearly that losses of this nature are being recorded by the bureau at the rate of over 500 a month.

The agency of **Lewis & Gender**, New York City, which has been in existence for some 25 years, is succeeded by **B. E. Gender, Inc.** Mr. Gender has been the sole owner of the business since 1922, when he bought the interests of **A. H. Lewis**.

Fire Underwriters Elect C. E. Allan Vice-president



CLARENCE E. ALLAN

Clarence E. Allan, newly elected vice-president of the Fire Underwriters Association of the Pacific, who according to the usual procedure will become president next year, is a member of Goodwin & Allan, San Francisco, Pacific Coast managers for the St. Paul Fire & Marine, Northern Assurance, Royal Exchange, Mercury and other companies.

Mr. Allan has been in the fire insurance business since 1906 when he entered the insurance brokerage business as a clerk. Later he became a local adjuster for the old Pacific Coast Adjustment Bureau. After the reorganization of the bureau about 1912, he was appointed manager of the new organization. In 1918 he was appointed Pacific Coast resident secretary of the Continental by the late Henry Evans. When Thomas H. Anderson was called to New York as United States manager Liverpool & London & Globe, Mr. Allan succeeded him in San Francisco. He then returned to independent adjusting, specializing on difficult adjustments. He became Pacific Coast manager of the Northern Assurance when that company returned to a

(CONTINUED ON PAGE 25)

Pacific Coast department basis. In 1931 he joined Benjamin Goodwin and formed the present firm. The combination of the veteran Benjamin Goodwin with the younger veteran, Mr. Allan, is one of the most popular in the west.

THE WEEK IN INSURANCE

David A. McKinley elected president of the Fire Underwriters Association of the Pacific at annual meeting in San Francisco. **Page 3**

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Frank N. Belgrano, Jr., stresses necessity for correcting the collection situation. **Page 3**

* * *

Dangers of taxes, government concentration of control on many large insurance lines in Washington, pointed out by **Secretary Bennett** of National Agents Association in Pittsburgh talk. **Page 4**

* * *

John C. Harding selected as fire insurance nominee for director of U. S. Chamber of Commerce. **Page 6**

* * *

Conferences held in Madison, Wis., between commissioner and insurance men to develop new standard fire policy for presentation to legislature. **Page 13**

* * *

Rate reductions and increased expense ratio reduction by **Arthur M. Brown** in a sharp criticism of existing practices. **Page 4**

* * *

Better breed of agents and harder companies coming out of depression, **P. H. Goodwin** tells Fire Underwriters of Pacific. **Page 5**

* * *

United States Manager **Harold Warner** of the Royal-Liverpool group will speak to three assemblies of field men through a special device arranged by the American Telephone & Telegraph Company. **Page 14**

* * *

David N. Case, chief adjuster of the life and accident division of the Travelers, is dead. **Page 29**

Competitive Features Must Be Eliminated, Says Brown

DECRIES RATE REDUCTIONS

General Agent Gives Strong Talk to Fire Underwriters of Pacific—Pools Attacked

SAN FRANCISCO, Feb. 8.—Deploring the many changes which have taken place during the past years in lowering of rates, changes in schedules, increased expense ratio, and loss of autonomy on the Pacific Coast, Arthur M. Brown, president Edward Brown & Sons, discussed "The Problems of the General Agent" before the Fire Underwriters Association of the Pacific meeting here.

"Competition," he said, "has undoubtedly brought about the changes which have occurred in the last decade. While it is true that competition is always an active factor in any line of business, yet my answer is that following the trend of affairs which has unfortunately overtaken this country in the past ten or 15 years, the insurance business is losing its standing as a profession and is, to a marked degree, following that unfortunate trend of each for himself and none for the business as a whole. Such positions in other lines of financial venture are being characterized today as 'rackets.' The insurance business has by no means gone that far, but that it was in danger of approaching that position has been fully recognized by the leading men of this country, and was the direct cause of the formation of the Insurance Executives Association."

Decries Limited General Agencies

Mr. Brown decried the appointment of general agencies for limited territories. "Many of these appointments cannot on the whole be criticized," he said, "but unfortunately there have been a number who were appointed for the sole purpose

(CONTINUED ON PAGE 25)

Pacific Coast department basis. In 1931 he joined Benjamin Goodwin and formed the present firm. The combination of the veteran Benjamin Goodwin with the younger veteran, Mr. Allan, is one of the most popular in the west.

Alvin S. Keys, official Illinois insurance department liquidator, spoke before the Illinois Blue Goose this week. **Page 7**

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Superintendent Van Schaick of New York presents annual report. **Page 7**

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Illinois attorney general upholds the tax on reinsurance premiums paid in the state by a Michigan casualty company under the retaliatory law. **Page 29**

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Stricter precautions urged to prevent loss to policyholders in case of casualty company failures. **Page 29**

* * *

Automobile liability rates increased in Jersey City, N. J., and vicinity. **Page 27**

* * *

Confusion as to occupational disease hazards in Illinois brought out at meeting of Casualty Field Club in Chicago. **Page 27**

* * *

Sharp reduction in casualty premiums and evidence of stricter underwriting practices noted by Superintendent Van Schaick of New York in annual report. **Page 30**

* * *

Agents owe it to clients to protect against accident and health hazards, Manager Mountney tells Pittsburgh sales congress. **Page 25**

* * *

Union Indemnity co-receivers target for two suits; 11 creditors ask their removal claiming prejudice. International Reinsurance calls for accounting. **Page 29**

* * *

President Jackson of Bankers Indemnity speaks plainly in support of graded workmen's compensation commissions. **Page 28**

Government Concentrating Insurance in Washington

BENNETT POINTS OUT DANGER

National Agents Association Secretary Takes Up Taxes, R. F. C. in Talk Given in Pittsburgh

So paternalistic has our government become, declared W. H. Bennett, secretary National Association of Insurance Agents, in his talk at the annual dinner of the Insurance Club in Pittsburgh, Feb. 7, that government is a huge business, taking \$1 out of every \$3 and forcing every individual to work one day out of every five, solely for support of government. It is a veritable "Old Man of the Sea," he said.

His subject was "Two Old Men of the Sea," the first being the personnel of government, bureaucracy, and the second the unemployed of this country. Mr. Bennett said it is more than likely one may look for constantly increasing demands from government on those who are receiving income. He urged as a first step that the recommendation of the United States Chamber of Commerce to eliminate \$800,000,000 in expenses be adopted. Then to cut out all overlapping departments, boards and bureaus and watch expenditures with an eagle eye. State government, he emphasized, is quite as exacting in its demands.

Comments on R. F. C.

He commented on operation of the Reconstruction Finance Corporation, a large part of whose loans have been found to have gone to a few favored giant banks and railroad companies. The close link between the R. F. C. and Union Indemnity was pointed out, the final loan of \$800,000 to this now defunct company having been reported to be on stock in the Detroit Life, a subsidiary not involved in the receivership. Mr. Bennett said it appears through this deal the government is or soon will be engaged in the life insurance business.

Mr. Bennett pointed to the Mississippi river bridge bond project, heralded as the first major construction job financed by the R. F. C., bond for which was secured by the Union Indemnity. He said the R. F. C. has done and is doing great harm to insurance agents. He said more and more bonds on public works are concentrated in Washington. The fidelity schedule on all R. F. C. employees is written in Washington under a blanket form, he said. When the 12 affiliated regional agricultural credit corporations were organized, an endorsement was attached bringing all their employees under the blanket cover. Chairman Atlee Pomerene of the R. F. C., Mr. Bennett said, admitted overriding resident agents laws, explaining it was necessary to cover all employees under one general blanket bond.

In the construction of public buildings the same situation applies, Mr. Bennett said. The federal government is negotiating direct with companies, and agents throughout the country never have a look in on government contracts in their territory, he said.

As an illustration of the trend, Mr. Bennett pointed to the fact that fire companies poured \$30,000,000 into Baltimore 29 years ago to rebuild after the conflagration. Now, he said, Baltimore proposes to "show its gratitude" by starting a municipal fire insurance fund to save paying premiums to the same companies to which it owes its very existence.

Fire insurance business has stood like a rock and only its protecting arms have warded off complete chaos, he said. The financial stability of the companies should be the wonder and admiration of the world. Not a major fire company has been forced into liquidation, although some weak ones have been absorbed by stronger ones. He said to be associated in any capacity with such an institution is an honor and a privilege.

Earning a Profit Difficult Today

W. G. Rich, at F. U. A.P. Meeting, Discusses Underwriting Problems, Gives Advice

L. & L. & G. MAN IN TALK

K. W. Withers Talks on Adjustments
—A. C. Harris on Air Coverage
C. W. Jones on Marine

SAN FRANCISCO, Feb. 8.—Earning a reasonable underwriting profit is difficult today, according to W. G. Rich, assistant manager of the Liverpool & London & Globe, because underwriting principles were broken down and rates were drastically reduced during prosperous times. Mr. Rich addressed the annual meeting of the Fire Underwriters Association of the Pacific. The decline in commodity values is reflected by a decreased premium income and an increased expense cost and moral hazard losses have increased, aggravated by over insurance. Rate reductions and other concessions made during prosperous times become fixed practices, he said, and it is almost impossible to reverse the action that was taken.

Fire Department Standards

The remedy, he said, lies in attention to strict underwriting principles, which, he said is "the art of discriminating selection, based upon exact knowledge of the risk written." Selection should be based upon ownership, occupancy, construction and protection. Too often, underwriters reverse the order by considering the line and premium first, which breeds careless habits. They weaken in the face of a fat premium. The danger signals are minimized. Risks, underwritten in this way, are the ones that are causing so much grief now, he said.

Occasionally, according to Mr. Rich, lines must be reduced below the normal retention because the fire department has not maintained its standard of efficiency.

Mr. Rich predicted that the unprotected property situation would get worse. There is little new construction and buildings are getting older. Companies cannot afford to have their resources drained by losses on unprotected business, since they must retain capital and surplus to protect property in large cities. He expressed hope that the system of rural fire districts will be extended.

Simplification of Schedules

Mr. Rich said that the companies should investigate whether they are justified in extending protection to banks and mortgage companies that have over reached themselves in loans to farmers. Rates on unprotected risks must be increased, he said.

Mr. Rich expressed the belief that more money is lost by improper forms than by too low rates. Theoretically, he said, every risk should be subject to 100 percent average and the more complete the coverage is, the greater proportion of salvage can be estimated. The loss probability is much lower and this is reflected in lower average rates.

Rating schedules should be simplified, he said. If rate quotations were always in multiples of 5 cents, with no rate changes permitted for less than 5 cents, he said many rate revisions and unnecessary expense might be eliminated.

Mr. Rich enunciated the maxim:

(CONTINUED ON PAGE 25)

Draws Lessons from Survey of Rockaway Peninsula

NEW YORK, Feb. 8.—C. A. Vlachos, head of an independent inspection service here, spoke before the Suburban New York Field Club in Brooklyn, giving a survey he has made of the conflagration hazard on the Rockaway peninsula. He made an analysis covering a summary of the customary defenses, such as fire-proof buildings, large open areas and unbroken brick walls, of which in this particular instance there are none. As a result, Mr. Vlachos said, "Since a solution must be found and since there are none of the conventional conflagration stops in evidence, we must perforce throw theory to the winds and determine to find a practical solution to our problem."

Constitute Conflagration Area

It is impossible to prophesy as to the limits of a fire once it is started, nevertheless, where there is fuel there can be a fire, and according to the survey there are 250 city blocks on the peninsula which constitute an actual conflagration area. However, Mr. Vlachos pointed out that after a careful consideration he does not believe more than 10 percent of these would be affected in any one fire. This percentage may be applied to values as well as numerically.

Unforeseen Factor Important

One point which Mr. Vlachos brought out again and again was that the past record of the peninsula, which is, on the whole, average, is of no importance in considering the future. Among the important factors in the origin and spread of fires is the headway a fire can make before the department gets busy and in many cases the intense heat defeats all hose streams. "Perhaps the worse element in conflagration spread is the unforeseen factor," remarked Mr. Vlachos. This may take form in the failure of the water supply, an explosion or abnormal weather conditions.

Mr. Vlachos advised individual inspection of all risks located in a hazardous area. Property changes are brought about rapidly and a building which may be occupied today, tomorrow may be vacant and unprofitable. One block may mean a distinct shifting of neighborhood conditions, type of tenancy and the like. This must be constantly watched. There is a wide variance in the conflagration hazard and Mr. Vlachos found in his survey of the Rockaways that this can be identified and localized to a very fair

extent, always considering that unknown factor.

The speaker did not advocate the writing of block lines. This would involve a total of liability, at least in this particular case, of staggering dimensions. He stated "The only method I can see is to spread your liability thinly over the entire area. Wide distribution, thinly applied, and I believe you can with safety say: 'Let the conflagration come, we'll ride on forever.'" An agent is fully justified, according to Mr. Vlachos, in writing more freely in some localities than in others.

U. S. Supreme Court Soon to Hear Important Case

The famous Wisconsin case involving the right of the insurance commissioner to revoke a company's license for refusal to transfer a suit back to a state court, is set for hearing before the United States Supreme Court the week of Feb. 13-17, but possibly may not be reached before March, as the court will recess Feb. 17.

W. M. Bullitt, prominent Louisville attorney, has become associated with Samuel Levin of Chicago and Olin & Butler of Madison, Wis., attorneys for the Security of New Haven, to present the company's defense.

The case originated in Wisconsin when the Security removed a case from the state to federal court and Commissioner Mortensen gave notice he would revoke the company's license unless it transferred the case back. A temporary restraining order against the commissioner was secured in the United States district court, and later was made permanent. The attorney-general applied to the Supreme Court for a review of the case and consent was given.

The point at issue is an important one. Thirteen years ago Chief Justice Taft wrote an opinion in the case of Terrell, secretary of state, vs. Burke Construction Company, declaring unconstitutional state laws providing for revocation of licenses of foreign corporations which invoke protection of federal courts. Attorney Bullitt represented the Burke company in that case.

The National Security of Omaha has appointed the Ross Underwriters, Inc., of New York City, its representative for the metropolitan district.

Goodwin Reviews Problems of Day

Says Many Things Are Working Out But the End Is Not in Sight

LESSONS OF DEPRESSION

Past President of Agents Addresses Pacific Fire Underwriters Association in San Francisco

A better breed of agents and a harder line of companies will result from the trials of the last two years, Percy H. Goodwin, past president National Association of Insurance Agents, stated in his talk on "Lessons of the Past Two Years from an Agency Viewpoint," at the meeting in San Francisco Tuesday of the Fire Underwriters Association of the Pacific.

The company mind has turned from investments to underwriting and the agency mind from high powered selling to bookkeeping. The agent has learned the value of an audit, that he must put his house in order. Agents and companies have found it impossible to force operating costs downward in keeping with the pace of income reduction. Many agents have found they have been operating at a loss and paying balances out of their own capital.

Income of Agents Endangered

Agents' income is assailed on all sides, Mr. Goodwin said. General cover contracts are sweeping up the big lines. Values are down and coverage reduced accordingly. More service is required on lesser volume. It is often a problem to maintain office morale.

One of the bitterest lessons to the local agent, he said, has been the centralization and concentration of profitable big lines which have taken practically all of these away from the agent. Inland marine has made inroads on fire and casualty lines. He said the amazing thing is that our own fire companies, observing rates and forms, and prating of business ethics, are the very ones which are running wild through their marine departments.

(CONTINUED ON PAGE 25)

FIGURES FROM DECEMBER 31, 1932, STATEMENTS

FIRE COMPANIES

STOCK COMPANIES

	Assets	Change in Assets	Reins. Ros.	Change in Reins. Res.	Capital	Surplus	Change in Surplus	Losses Paid	Net Prems.	Loss %	Security Fluc. Res.
Aetna	\$ 49,636,423	—4,272,699	18,460,826	—2,676,498	7,500,000	14,303,299	—12,405	10,457,453	17,630,295	56.7	.....
Amer. Auto. Fire.	3,061,700	—354,495	1,202,768	—281,299	500,000	888,403	80,613	1,083,600	2,492,507	43.4	57,624
Dubuque F. & M.	4,835,490	—114,638	2,524,164	—154,428	1,000,000	899,403	18,176	991,982	1,956,819	50.6	.....
Equitable, S. C.	1,053,781	—21,177	120,538	—23,904	300,000	500,366	—23,207	67,912	127,553	58.0	75,000
Inter-Ocean Reins.	4,001,411*	—278,084	2,078,636	—383,088	500,000	907,416	86,155	1,239,792	2,325,782	53.3	.....
London & Prov. Mar.	1,124,369	—127,845	377,517	—30,423	200,000	325,733	—189,461	234,213	377,638	.....	47,271
Louisville F. & M.	126,083	7,024	24,559	—150	50,000	88,526	—2,964	6,090	30,321	23.3	9,778
Nat. Reserve, Ia.	2,391,849	—260,365	1,453,012	—309,000	500,000	246,992	40,625	648,752	980,320	66.0	.....
Piedmont	948,186	—143,168	146,028	—12,614	200,000	412,981	—210,568	142,992	164,873	88.1	.....
Seaboard, Md.	438,632	—104,328†	62,581	—4,671	210,000	159,352	—1,996	25,271	51,839	48.0	.....
Travelers Fire	16,054,586	144,081	9,207,405	157,265	2,000,000	1,548,110	—280,495	4,019,759	9,132,936	44.0	.....
World F. & M.	4,400,914	7,631	1,111,191	—122,393	1,000,000	1,903,871	161,762	630,408	1,099,697	58.2	.....
Yorkshire	4,099,013	—724,251	1,887,352	—152,155	200,000	1,139,166	—660,431	1,171,063	1,888,187	.....	.....

*Dec. 31, 1932 market values used.

†Due to use of Dec. 31, 1932, market values.

COOPERATIVES

	Cash Assets	Unearned Premis.	Cash Surplus	Prems.	Losses Paid 1932	Total Income	Total Disburs.	Security Fluc. Res.
Fall River Mfrs. Mut.	\$ 2,286,430	\$ 810,464	\$ 1,463,257	\$ 866,668	\$ 47,157	\$ 988,469	\$ 1,253,354	\$ 5,000
Ohio Underwriters' Mutual	405,163	201,976	160,800	307,095	132,521	323,267	329,348	5,000
Worcester Mfrs' Mutual	2,153,933	813,338	1,325,741	882,511	40,279	994,330	1,219,067	.....
Salem Mutual, Mass.	144,955	72,248	70,235	66,740	28,107	72,950	74,128	.....
Tri-State Mutual Grain Dealers	251,857	75,192	166,241	114,736	51,307	128,197	120,630	.....
Preferred Mutual Chenango Co., N. Y.	819,823	234,513	519,566	267,291	152,754	299,355	287,044	.....
Hartford County Mutual	3,300,169	284,509	2,327,596	200,875	129,348	331,503	236,065	650,000
State Automobile, Ind.	2,398,467†	473,523	1,055,000	1,755,512	1,054,123	1,879,021	1,656,650	194,984
Carolina Mutual, S. C.	451,140†	59,473	383,131	100,498	24,859	124,770	123,864	.....

*Does not include notes and policyholders' contingent liability.

†Bonds carried at market.

†Dec. 31, 1932, valuation on Bonds.



Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

*Casualty
Fidelity
Surety*

Unquestioned Financial Stability
Unique, Convenient Policies
Complete, Efficient Service
All Modern Coverages

**Combination Automobile Policy, Combination
Residence Policy and Complete Golfer's Policy
issued jointly with allied fire companies.**

Depression Gives Opportunity to Push Miscellaneous Cover

The depression has taught insurance men to run their businesses instead of letting their businesses run them, C. D. Minor, superintendent special service department Royal-Liverpool group, New York, declared in his talk on "Selling Miscellaneous Fire Lines and Surveys" at the Pittsburgh sales congress. To a large extent insurance men have forgotten about the stock market and its pot of gold, and are devoting themselves to the every day problems from which it is not difficult to visualize more substantial and lasting results will be obtained in the long run, he said. Agents have come to realize they must be aggressive and proficient, that they must have thorough knowledge and work hard.

He said property owners are becoming more insurance-minded every day, from the standpoint of protection, and also services performed by the agent or broker.

An avenue of approach in order to sell more business is sought by all producers, and Mr. Minor said he considers the miscellaneous or collateral coverage one of the easiest to attain this end. These embrace use and occupancy, explosion, riot and civil commotion, errors and omissions, rents and rental values, leasehold, explosion mortgage interest, tornado mortgage interest, sprinkler leakage. He admitted many concerns which otherwise would be good subjects for use and occupancy now are closed down. The depression has quite generally affected the earnings of almost every business. However, he said, there are several businesses in every city that are subjects for use and occupancy and actually have a need for it. He said there is no form of insurance written by fire

companies which possesses the possibilities of impressing clients as to the agent's or broker's knowledge or understanding of insurance as does use and occupancy.

It is a most opportune time to sell explosion and riot and civil commotion insurance, he said. There is a spirit of unrest throughout the country, particularly in industrial centers, which makes it almost imperative that property owners carry one or the other of these coverages. Aggressive agents have built up a surprisingly large volume of premium income from these coverages in the last year. Many of these contacts have led to the sale of new fire insurance or other desirable lines which otherwise might never have been obtained. He cited an agent in a town of 30,000 population who in the last year sold over 200 explosion and riot policies, with approximately \$7,000 premiums. Another agent canvassed sold explosion insurance with more than \$20,000 premium for three-year term to the owner of a group of buildings involving over \$30,000,000 value. A small town agent in the west called on 18 prospects for explosion insurance in one day, sold 11 policies with premiums around \$600 and picked up a new fire policy with a three-year premium about \$150.

Every agent has in his town one or more banks or building and loan associations which are prospects for errors and omissions insurance, as well as tornado, mortgage interest and explosion mortgage interest protection. Mr. Minor cited the great gas container explosion in Pittsburgh several years ago as an illustration that this coverage is important.

(CONTINUED ON PAGE 30)

John Harding for Director
U. S. Chamber of Commerce



JOHN C. HARDING

John C. Harding of Chicago, of Harding & Lininger, western managers of the Springfield Fire & Marine, has been selected by the stock fire interests of the country as candidate for director of the United States Chamber of Commerce to succeed George D. Markham of St. Louis. Mr. Harding is one of the leading fire underwriters of the central west. He served as president of the old Western Union, is now chairman of the governing committee of the Western Underwriters Association and chairman of its important public relations committee. He is distinctly an organization man. He is widely known in the east where

Indiana Bill Subordinating Insurance Is Passed, Signed

INDIANAPOLIS, Feb. 8.—The bill which will regroup all state departments and bureaus under eight heads has passed both houses of the Indiana legislature and been signed by the governor. The regrouping will be extended over several months. No definite program has been announced by Governor McNutt, who has the appointive power for most of the offices created by the new law. The insurance department will be in the group headed by the state auditor. Disposition of the state fire marshal's office is not specified as yet, as this department was created under a separate act and is maintained by a direct tax on the fire companies.

Economy Purpose Stressed

The purpose of the new measure is to effect economies if possible and insurance interests have apparently been willing to let the experiment be tried although, from their point of view, it is believed that the reduction of the insurance commissioner's office to a part of a group of state offices is at least not a forward move. In the regrouping plan, however, it would not have been possible to leave out any existing department. The law is a pet measure of the administration and there was but little opposition, though rather vigorous protests were voiced by a few lawmakers to effect that the law created czar-like power for the governor.

he has attended many conferences and made many contacts.

Mr. Harding will have the full support of the National Board, Insurance Executives Association, American Mutual Alliance, National Association of Insurance Agents and other important insurance groups.

Liquidator Keys of Illinois Charges Reinsurance Racket

WAS APPROACHED RECENTLY

Tells Fire Insurance Organization of Men Taking Advantage of Companies in Distress

Barter and sale of insurance companies in distress have come to be something of a racket in Illinois, with Chicago as a focal point, A. S. Keys, acting liquidator of the Illinois insurance department, told the Illinois pond of the Blue Goose at luncheon Monday. He said there are several individuals in Chicago in this activity; that they have no interest in the policyholders' welfare, but are merely dealing in "sucker lists."

Mr. Keys said he was approached only recently by one of these promoters with a proposal to submit to the Illinois insurance department a matter about a certain company. Mr. Keys said the man had in mind only selling the company. He stated many persons in Illinois do nothing but attempt to commercialize on insurance companies which are having difficulties.

Illinois Laws Weak

He declared there are many weaknesses in the Illinois insurance laws. In fact, he read them through word by word recently and found them, he said, more of a mystery than an Edgar Wallace thriller. Many sections are greatly in need of recodification. He said it was unfortunate that it should have required several company failures to drive home this point.

He suggested that rather than a complete recodification, certain faulty statutes be selected and rewritten. He had particularly in mind, he said, those relating to mutuals and reciprocals, the life and health assessment acts, mutual benefit acts, Lloyds and legal reserve acts, particularly in regard to the handling of invested funds and stipulations of the securities which may be held.

After rewriting law, strict enforcement and exercise of police powers are absolutely indicated, he said. This must be done sanely, however, so as not to harass any companies honest in intent and trying to benefit policyholders.

Tax Reduction Essential

He touched on federal and state taxes, which he emphasized must be paid by the policyholder and constitute practically a sales tax, although few people realize that they have been paying such a tax upon insurance for many years. There must be a substantial reduction in taxes all along the line, he said, but he is not optimistic that this will be realized soon, largely because of the lack of public interest.

He commended the appointment of Superintendent Ernest Palmer and said with the backing of the influential insurance people, Illinois can look for important changes resulting in general good to the business.

Committee Is Appointed

On motion of T. R. Weddell, "Insurance Field," M. L. G. Rodney D. Wiley of the Atlas appointed a committee of three to prepare a resolution commanding the Palmer appointment. Mr. Weddell is chairman, Ralph Woltersdorf of the Atlas Fire and A. J. Meyer, Automobile of Hartford, are members.

Wielder P. J. V. McKian reported on the dinner dance to be held Feb. 11 and also on plans for the meeting March 6 in the LaSalle hotel, at which a class of about 100 will be initiated, including goslings and ganders who escaped these rites when for a time the rules were suspended. Grand Supervisor L. H. Bridges, who is Illinois special agent of the Home, will speak.

The J. D. Ley agency of Danville, Va., has incorporated.

Superintendent Van Schaick Submits His Annual Report

EXPENSES DOMINANT FACTOR

Slight Decrease in Losses Offset by Smaller Premium Volume—Seeks More Examiners

ALBANY, N. Y., Feb. 8.—In his annual report, Superintendent Van Schaick of New York said that conditions in the fire field continue to reflect the present depressed state of industry generally. Figures for the first 11 months show a decrease of 2.07 per cent in losses, but this slight improvement is offset by a drop in premium volume.

"Expense ratios continue to be the dominant factor in the business," says Superintendent Van Schaick, "and because of the falling off in premiums, are not expected to show any improvement over the previous year."

No new stock companies were organized in the state during the year, four were absorbed by merger and 15 reduced capital, while one increased it. Since 1929 the number of fire and marine companies operating in New York have decreased from 412 to 357.

Asks for More Examiners

The weakest spot in the examination of companies other than life, reported Superintendent Van Schaick, is the ascertainment of liabilities and establishment of reserves for losses, which calls for a highly specialized type of work for which accountants are not usually trained. He recommended that the legislature provide for an ample number of examiners at salaries sufficiently ample to secure experienced insurance claim men. This additional expense would be met by the companies examined.

Mr. Van Schaick also called attention to the necessity for more frequent examinations due to perturbed economic conditions which can only be made by increasing the staff of examiners.

Modify Examination Questions

In discussing the qualification bureau, Superintendent Van Schaick reported considerable progress in modifying the form and content of agency license examination questions, so that they reflect current developments in the insurance field and the methods of scientific testing in vogue in professional fields. In 1931, before the present qualification law was in effect, 1900 persons took the examination for brokers license and no examination was required for agents. Last year, 425 agents were examined and 2200 took the brokers examination.

Due to the recent decision requiring extensive legal procedure in case of violation of rating laws, Superintendent Van Schaick asks the legislature to empower him to assess forfeitures against willful violators, in accordance with the practice established before the decision.

Superintendent Van Schaick endorsed the National Convention of Insurance Commissioners' resolution against interlocking directorates and he asked the legislature to amend the insurance law to prohibit investments by insurance companies in affiliates. Mr. Van Schaick answered the objection that this proposed measure would disturb the insurance field unduly on account of the present economic depression by saying that it can be made applicable to prospective acts.

Globe & Rutgers Exhibit

The Globe & Rutgers Fire in its new annual statement shows assets \$71,900,130 of which \$3,078,808 is cash, \$61,322,585 bonds and stock. It has \$19,100,961 premium reserve, \$22,000,000 contingency reserve, \$2,000,000 capital and \$7,458,200 net surplus. This shows the company to be in very satisfactory condition.

Annual Statements—1933

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IN VIEW of the many difficulties and financial reverses that insurance companies, both large and small, encountered in 1932 many agents and brokers are not clear as to the financial standing of the companies they represent. They may not be apprehensive, but they certainly are in doubt. They want to find out how their companies survived the financial disasters of 1932.

They can learn only by studying comprehensive financial statements of their companies. The general assurance that everything is "all right" or that the company is "going along" carries no conviction in these times.

Every solvent, going company should advertise its annual statement figures this year, whether it has done so in the past or intends to in the future. By neglecting to advertise its statement, a company may cause the very doubts about itself that it does not want to exist. There is nothing more convincing or reassuring than a good annual statement. Agents this year are not expecting impressive gains in assets, surplus, etc. Instead, they simply want to be sure that the companies in which they are placing business are financially sound and that they have successfully weathered the storm of 1932.

Your own agents and brokers may know all about your company, and be perfectly confident in it, but what about the insurance fraternity as a whole? Naturally, your own agents and brokers are going to make nothing but complimentary references to your company, but you should be just as eager to properly inform the agent or broker who does not represent you. Let the financial facts about your company be known. Broadcast your annual statement. Make clear to everyone in the insurance business just where you stand. Advertise your annual statement in *The National Underwriter*, which goes to everyone in the insurance business that you will want to reach with your statement figures.

(Number 28 of a series devoted to the merits of *National Underwriter* advertising)

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The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

A 100% COMPANY FOR MORE THAN 100 YEARS

When one considers
that the "Old Penn" has success-
fully met, for more than 100 years,
every expectation of agents and
policyholders—in good times and
bad, in panics and conflagrations
—progressing steadfastly in use-
fullness — one senses that any
agent might well be proud to re-
present it.



THE PENNSYLVANIA FIRE INSURANCE COMPANY

Born 1825 on Independence Square,
Philadelphia
and still domiciled in the
original building at Nos.

508-510 Walnut Street

Writing Fire and all Kindred Lines

Copyright 1933, The Pennsylvania Fire Insurance Company

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NEWS OF THE COMPANIES

Strong Cash Position Shown

Home of New York Reports \$9,691,680
—Net Surplus Amounts to
\$20,167,637

A strong cash position is reported by the Home of New York in its annual statement. Its cash amounts to \$9,691,680. Total assets are \$98,030,337. The U. S. Government, state, county and municipal bonds are \$16,407,709; other bonds and stocks \$61,423,607; premiums in course of collection \$9,051,483.

Capital amounts to \$12,000,000; premium reserve \$38,742,215; loss reserve \$6,013,951; contingency reserve \$19,250,000 and net surplus \$20,167,637.

The New Brunswick of the Home group reports assets \$4,404,468, including cash \$206,058, first mortgage loans \$312,800, bonds and stocks \$3,235,329 and real estate \$250,000.

Capital is \$1,000,000; premium reserve \$1,339,645; loss reserve \$267,191; contingency reserve \$665,000 and net surplus \$602,944.

The Harmonia shows assets of \$3,744,019; cash \$267,982; first mortgage loans \$76,400; bonds and stocks \$3,255,052.

Capital of the Harmonia is \$1,000,000; premium reserve \$853,124; loss reserve \$156,963; contingency reserve \$840,000 and net surplus \$596,717.

The City of New York shows assets \$5,503,384, premium reserve \$1,379,714, net surplus \$765,384, capital \$1,500,000, contingent reserve \$1,000,000.

Mutual Asks More Time

The Mutual Fire of Harford County, Md., is asking the Virginia corporation commission for a further extension of time in which to restore its surplus to \$200,000, the amount such companies are required to have in that state. A year or so ago, the surplus fell somewhat below this figure and the company was given additional time in which to make up the surplus. Other extensions have been granted from time to time. The company, it was shown at a hearing last week, now has \$146,871 surplus. It operates in Delaware, Pennsylvania, District of Columbia, Maryland and Virginia.

Gulf's Premiums Increased

The Gulf of Dallas in its 1932 statement shows assets, \$2,982,312, including cash, \$273,447; U. S. government obligations, \$319,741; other bonds, \$236,657; stock, \$1,367,555; mortgage loans, \$213,780; collateral loans, \$86,607; due from agents and other companies, \$269,391, real estate, \$186,778.

Premium reserve amounts to \$856,199; capital, \$1,000,000, and net surplus, \$1,011,255.

Bonds are carried at amortized values and all listed stocks are carried at market, Dec. 31, 1932.

Net premiums written amounted to \$1,052,478, as compared with \$870,180 in 1931.

Receivers for American Mutual

Gideon Bain and Caleb Lindsay of Indianapolis, have been named as receivers for the American Mutual of Indianapolis by Judge Kern of the Marion county superior court, before whom application for receiver for the company was filed last week.

The Central Manufacturers Mutual of Van Wert in its annual statement shows assets \$4,290,499, surplus \$1,809,372. The company is 56 years old. It has set up \$200,000 for contingencies. This is more than ample to cover the difference between the amortized value and the actual market value of bonds.

Thomas Reports on the Year

President of the National Union Fire Gives an Account of His Stewardship

At the annual meeting of stockholders of the National Union Fire, President J. M. Thomas, in making his report for the first full year of his stewardship, outlined the reorganization steps that had been made and viewed with optimism the future of the company and, in fact, fire insurance as a whole. He expressed appreciation for the fine cooperation he received from the agency force. He said that the National Union enjoyed harmonious relationships with other companies and organizations. He urged greater efficiency among organizations in cutting down waste. All the officers were reelected.

Millers National Statement

The annual statement of the Millers National of Chicago shows assets \$5,217,413, premium reserve \$2,043,355, contingency reserve \$500,000, permanent fund \$1,000,000, net surplus \$1,354,520. Of its assets \$4,029,330 are in bonds and stocks. Its cash on hand is \$608,727. It owns \$150,180 Canada government bonds and \$302,034 U. S. government bonds. It has \$1,359,196 municipal and state bonds and \$1,121,987 railway bonds. By setting up a contingency reserve the net surplus is thus placed on an actual market value basis.

Aetna Fire Results

Net premiums written by the Aetna Fire last year amounted to \$17,630,295; losses paid, \$10,457,453; taxes paid, \$569,884, and commissions and expenses paid, \$8,689,514. The incurred loss ratio was 56.73 percent and expense ratio, 52.52 percent.

The net premiums written by the World Fire & Marine were \$1,099,697; losses paid, \$680,408; taxes paid, \$62,754, and commissions and expenses paid, \$355,365. The incurred loss ratio was 58.28 percent and expense ratio, 38.02 percent.

Net premiums written by the Piedmont amounted to \$164,863; losses paid, \$142,992; taxes paid, \$4,922; and commissions and expenses paid, \$68,259. The incurred loss ratio was 88.09 percent and expense ratio, 44.39 percent.

The Piedmont reported assets of \$1,091,354; premium reserve, \$158,642; capital, \$200,000; contingency reserve, \$70,680 and net surplus, \$623,549. Similar figures for the Aetna Fire and World F. & M. were given last week.

Fire Association's Figures

The Fire Association has issued its annual statement showing assets \$21,119,939, decrease \$1,285,848; premium reserve \$9,177,514, decrease \$376,471; capital \$2,000,000; net surplus \$3,621,953, increase \$469,856. Since June 30 its assets increased \$937,227. It has \$1,288,861 in cash. Its contingency reserve is \$4,474,887 which places the surplus on an actual market basis.

Seaboard F. & M. Change

Stockholders of the Seaboard Fire & Marine will meet Feb. 21 to act on recommendation of directors that capital be reduced from \$1,000,000 to \$500,000 by reducing par value of shares from \$10 to \$5. The \$500,000 thus released would be transferred to surplus. The Seaboard is affiliated with the Yorkshire and other companies under the management of Frank & Du Bois.

The State of Pennsylvania has declared its regular 3 percent dividend for the beginning of the year.

1933
February 9, 1933
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AS SEEN FROM CHICAGO

ENGELHARD & CO. MOVES

Engelhard & Co., class 1 agency which for two years has operated in room 830, Insurance Exchange, is preparing to move about Feb. 15 into rooms A-1614-1618 where considerably larger space has been taken. Although the agency is only about two years old, Paul R. Engelhard, its founder, has been in insurance since 1907. W. P. Engelhard, one son, has been associated with his father some 13 years, and E. F. E. Engelhard, a second son, for nine years. The agency will continue the representation of six fire and two casualty companies in Chicago.

* * *

FOUNDER'S GRANDSON ON JOB

Fred S. James, grandson of the founder of Fred S. James & Co., has joined that organization in Chicago and has been assigned to work in the outside brokerage department under W. H. Stevens. Young Mr. James is the son of Robert E. James.

* * *

HAMILTON LOEB IS SECRETARY

Hamilton Loeb of the Eliel & Loeb Co. of Chicago, president of the Chicago Local Agents Club, has been elected secretary of the United Medical Service, a low cost medical clinic that furnishes adequate medical care at fees commensurate with incomes of patients, through a specialized system of controlled costs. Many prominent medical men are allied with it. Its educational advertising has drawn the fire of the American Medical Association.

* * *

MARSH & MCLENNAN GIRLS WIN

At the fourth annual tournament for the championship of Illinois under the auspices of the Illinois Woman's Bowling Association in Chicago, Marsh & McLennan girls, entered under Class C, won the state championship with total pins of 2,179. They had to compete with 13 teams from Peoria, Rockford, Waukegan and Chicago. Congratulations are due Matilda A. Schmitt, Anna Johnson, Norma Petrtyl, Willa Schmitt and Louise Wurster.

* * *

DANFORTH IN FLORIDA

F. S. Danforth, president Millers National, Chicago, is vacationing in St. Petersburg, Fla., with Mrs. Danforth. It has been customary for Ralph S. Danforth, assistant secretary and son of F. S. Danforth, to plan his Florida agency trip at the same time. The party drove to their destination where State Agent H. E. Murphy joined Mr. Danforth for his scheduled agency visit.

* * *

WILL GIVE BANQUET FOR PALMER

Under the auspices of the Chicago Board initial steps are now being taken to arrange a banquet to be given in honor of Ernest Palmer, the newly ap-

Figures of Royal-Liverpool Group for 1932 Are Given

NEW YORK, Feb. 8.—Combined figures of the fire companies composing the Royal-Liverpool group for the year ended Dec. 31, reveal net premiums \$29,571,719; incurred losses \$15,142,395 (51.21 percent); adjustment expenses \$976,583 (3.30 percent); general expenses \$15,047,855 (50.89 percent); trading loss \$1,595,114 (5.40 percent); decrease in unearned \$4,315,055; underwriting gain \$2,719,941 or 9.30 percent.

The net premium income and underwriting gain of the individual companies were: Royal \$8,431,371, \$735,586, respectively; Queen \$6,869,104, \$643,108; Newark \$2,926,490, \$257,483; American & Foreign (fire branch) \$770,983, \$49,090; Liverpool \$8,234,717, \$808,668; Star \$1,709,946, \$157,652; Federal Union \$629,108, \$68,354.

pointed Illinois insurance superintendent, who recently resigned as manager and general counsel of the board. The banquet will probably be given in Chicago the evening of May 31, just prior to the beginning of the annual meeting of the National Convention of Insurance Commissioners, which will be held in that city June 1-3. A general committee will be appointed representing all branches of the business—fire, life and casualty. The

date has been set far in advance so that a number of commissioners can attend as many have expressed themselves anxious to pay homage to the new official. There will be executives present from all over the country. The Chicago Board officials say that it has been necessary to postpone the banquet until May owing to the fact that the Illinois department is under great pressure in shaping up its work and Mr. Palmer is much occupied.

* * *

Raymond Klrk, vice-president of Rollins-Burdick-Hunter, Chicago, has gone to Magnolia Springs, Ala., where he will remain on vacation until near the end of February.

Canadian Hail Underwriters Meet; Thornton Is Chairman

F. L. Thornton of Regina was elected chairman of the Canadian Hail Underwriters Association at the annual meeting in Winnipeg. W. J. Scrimes of Winnipeg was named vice-chairman and H. H. Campkin of Regina, secretary.

Total hail premiums in Canada last year amounted to \$855,361 and total losses \$305,140; loss ratio, 35.76 percent.

The Esselburn & Ellis agency, Akron, O., has been incorporated by Charles Esselburn, G. H. Ellis and R. E. Ellis.



A FRIENDLY COMPANY

When an agent receives his commission of authority to represent the old Ohio Farmers, he receives also all the cordial cooperation of a friendly company.

This Ohio Farmers quality of friendliness, of cordiality, does not appear in the balance sheet. The insurance commissioners do not admit it as an asset. You just can not measure with a yardstick the warmth of a whole-souled handclasp.

Yet experienced Ohio Farmers agents put a very high value on the friendly spirit that nourishes good will between them and their Company. They have found it pleasant and profitable to do business with a friendly company.



OHIO FARMERS
INSURANCE CO. • LEROY, O.

Array of Executives at Head Table Feature of Banquet

(CONTINUED FROM PAGE 3)

York and Maine. In both states measures have been introduced providing that policies shall not be in force until the premium is paid in cash.

Super-Agents Needed

Col. Dunham said super-agents are needed these days. He advocated "sane" agents license laws. He warned against agents being lured away from their companies by higher commissions and lower rates. As to whispering campaigns, he said not even the strongest companies can survive permanently the effects of such tactics.

Those at the head table were:

K. H. Bair, member of executive committee National Association of Insurance Agents; A. Wesley Barthelmes, department manager, America Fore Group; R. I. Catlin, assistant vice-president Aetna Casualty; Richard Deming, first vice-president, American Surety; Walker DeWaters, agency superintendent Royal Exchange; Charles S. Dixon, Jr., assistant superintendent of agencies, Travelers; W. A. Edgar, vice-president United States Fidelity & Guaranty; F. S. Gar-

rison, secretary Travelers Indemnity; Charles C. Hannan, eastern manager Fireman's Fund; F. W. Hoffrogge, vice-president New Amsterdam Casualty; A. M. Holtzman, director of field service, Continental Casualty; Howard S. Jarvis, assistant superintendent of agencies, Travelers Fire; James P. Lavelle, president Pennsylvania Association of Insurance Agents; H. F. Legg, assistant secretary Fireman's Fund Indemnity; Percy Ling, secretary North British & Mercantile; William A. McConnell, United States manager Century of Scotland; Claude D. Minor, superintendent Liverpool-Royal group; Nathan Mobley, assistant secretary United States Casualty; Frank D. Moses, secretary Pennsylvania Association of Insurance Agents; C. A. Nottingham, assistant United States manager Liverpool & London & Globe; Harry F. Ogden, vice-president Fidelity & Guaranty Fire; Jesse S. Phillips, chairman of the board Great American Indemnity; William Quaid, vice-president Home; George H. Reaney, president United States Guarantee; D. L. Royer, chief engineer, Ocean Accident; Henry G. Schafer, general agency supervisor John Hancock Mutual Life; E. J. Schofield, vice-president Globe Indemnity; Herbert L. Smith, secretary Pennsylvania State Association of Life Underwriters; E. C. Sparver, director of agencies Reliance Life; J. M. Thomas, president National Union Fire; Elmer VanDusen, assistant secretary State of Pennsylvania; J. D. Van Scoten, vice-president Standard Life;

Concentrated Production Points on All Lines Given

(CONTINUED FROM PAGE 3)

opportunity in the fidelity bond field, calling off example after example of loss caused by dishonesty in unexpected places and on the part of persons who did not handle money. Dishonesty, he said, is just as serious hazard as fire or accident.

A. W. Barthelmes, department manager for the America Fore group, gave a rapid fire inland marine talk, citing the various coverages and giving a concise and compelling sales talk for each.

T. Y. Beams, department manager for the Royal Indemnity, was the final speaker Monday. His talk was inter-

larded with much humor as well as being instructive. Among other things he said the purchase of non-ownership public liability insurance on the part of employers is being abused. Non-ownership coverage, properly should be written in addition to direct insurance with the omnibus clause on the car of the employee. Now many employers are buying non-ownership and the employees are going without direct insurance. This means that non-ownership virtually becomes direct insurance, for the claimant usually can establish that the car is being used in company business and bring action directly against the employer. Non-ownership insurance costs about only one-fifth as much as direct coverage.

E. E. Cole, Jr., Presides

E. E. Cole, Jr., eastern supervisor for the General of Seattle, presided at the afternoon session except while the life insurance speakers were on when Mr. Holmes officiated.

Charles H. Bokman, vice-chairman of the sales congress and manager of the New Amsterdam Casualty, presided at the Tuesday session. The first speaker was F. S. Garrison, secretary of the Travelers Indemnity, who gave many stimulating suggestions as to burglary insurance selling. He expressed the belief that when the eighteenth amendment is repealed many bootleggers will turn to the commission of crimes against property and the need for burglary insurance will become more pronounced.

William Quaid, vice-president of the Home of New York, who is always at home on the platform, pointed out that the difference between the cost of co-operative and stock insurance was caused by the agents' commission and that it is up to the agent to justify that cost to the assured. Too many producers, he said, have an inferiority complex in connection with their value in the insurance transaction. The agent should cite the fact that he assumes the responsibility for seeing that the financial life is properly protected, that, with the help of company engineers, he is helping to keep the clients' property well, that, with the help of schedule rating men, he is keeping the insurance cost down and that he is on hand 24 hours a day to give service.

Deming Scans the Field

Richard Deming, first vice-president of the American Surety, veteran in surety ranks, scanned the bond field and suggested where selling emphasis might profitably be placed today.

Salesmanship in surety consists to a greater extent in getting the bond placed with the company than signing up the buyer, according to Mr. Deming. This is true, he pointed out, because most bonds are compulsory. The best way to get a bond placed is to present all the facts to the company.

Mr. Deming recalled that some companies have discontinued writing depository bonds in Pennsylvania because they can't get off the bond when they want to. He expressed the hope that the legislature would grant the sureties some relief in this respect. If that is done, he said, the American Surety, at least, will continue to write the line. "We won't let a flurry drive us out of the game," he declared.

Tax Collectors' Bonds

The agents in Pennsylvania, he added, have also had difficulty in getting tax collectors' bonds placed. The largest writers of this class have been the American Surety and the defunct Union Indemnity, he said. Under a proper system, he asserted, these bonds can be issued even though the Pennsylvania law is more severe than in any other state. "We should," he said, "find a way to write everything that is wanted in a legitimate way."

As to completion and mortgage guarantee bonds, Mr. Deming said the least said the better.

Accountants liability insurance is a new development that offers a large field, he said. This offers protection



By Demonstration or How to Sell REGISTERED MAIL INSURANCE

NOTE the nonchalance of our star performer getting his vitamins from valuable registered mail. Such a trained goat would make you a very effective ally in the sale of Registered Mail Insurance. But he isn't necessary . . . A broadside on the coverage, published by the "Springfield Group", will give you real assistance . . . Registered mail may be swallowed up by many hungry hazards. Don't let an uninsured loss in your locality get *your goat*. Write for our broadside now.

THE SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

SPRINGFIELD FIRE AND MARINE INSURANCE COMPANY

Chartered 1849 Cash Capital, \$5,000,000.00

SPRINGFIELD, MASSACHUSETTS

GEORGE O. BULKLEY, President

Ward & Lininger, Mgr., Chicago. John C. Dernia, Mgr., San Francisco. W. E. Findlay, Mgr., Montreal

CONSTITUTION DEPARTMENT, Springfield, Massachusetts

SENTINEL FIRE INSURANCE COMPANY, Springfield, Massachusetts

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Massachusetts



Specify Stock Fire Insurance

against error in accountants' reports or in tax statement work.

The first speaker before the Tuesday luncheon was D. L. Royer, chief engineer for the Ocean Accident, who suggested a vista of opportunity in selling power plant insurance.

In a day and a half, the gamut of insurance coverages had been touched in succinct style, the practical value being considerable.

The speaker at the Tuesday luncheon under the auspices of the Pittsburgh Accident & Health Managers Association was A. J. Mountrey, department manager for the Standard Surety & Casualty. He was introduced by W. M. Ivey of the Monarch Life. Mr. Ivey announced that an accident and health sales congress will be held in Pittsburgh in April.

Wants Agents to Make Returns on Income Tax

General Counsel J. H. Doyle of the National Board has written a letter to Secretary Bennett of the National Association of Insurance Agents, calling attention to the need that agents should report for income tax purposes the names of subagents, solicitors and employees to whom they paid \$1,000 or more in salaries, commissions, wages and other remuneration last year. Mr. Doyle has sent a copy of the letter to companies, suggesting that the field men call attention of the matter to agents and point out the severe penalty for failure to report.

Name O'Briens, A. B. Roome Managers of the Republic

The Republic of Dallas has decided to enter the states in Eastern Underwriters Association territory and some of the states in the middle west, and has appointed as managers, Harold M. O'Brien, Frederick O'Brien and A. B. Roome, with headquarters at 223 West Jackson boulevard, Chicago.

Gustetter Special Agent in Tennessee for Phoenix

R. H. Gustetter, special agent of the Phoenix, Connecticut Fire and Equitable Fire & Marine in Indiana for three years, has been appointed state agent of that group for Tennessee. He left Indianapolis this week to assume his new responsibilities. A farewell dinner was given in his honor by field men when he was presented a silver cigarette holder. C. R. Watkins, state agent of New York Underwriters, made the presentation. Mr. Watkins said Mr. Gustetter had won the high regard and esteem of all who knew him. Mr. Gustetter is a son of Secretary F. C. Gustetter of the Phoenix group.

January Is Transferred

Elmer January is being transferred by the North British & Mercantile from the northern Illinois field to Iowa. He has been connected with the North British since 1925 and has been operating in Illinois the entire time. It is understood that the Illinois field is being re-adjusted due to Mr. January's transfer. Mrs. January's mother was killed in an automobile accident in St. Louis last Saturday.

Ganter Leaves for Coast

President Frank A. Ganter of the Fidelity & Guaranty Fire, is leaving Baltimore Sunday for a business trip to the Pacific Coast.

Would Increase District Tax

WASHINGTON, Feb. 8.—Increased taxes on insurance companies doing business in the District of Columbia will be recommended to the District com-

mittee of the house by its insurance subcommittee, but the rapidly approaching end of the session makes action on the legislation unlikely. The proposed report would make the net premium tax 1.5 percent, instead of 1 percent, as at present.

Pearl Assurance Hearing

NEW YORK, Feb. 8.—Deputy Superintendent Bill of the New York department held a hearing yesterday on some of the alleged policy transactions of the Pearl Assurance. Manager Guinness and General Agent Stevens were present with their counsel, Samuel Untermyer and W. P. Barker. No decision was reached. The hearing will be continued at a later date not yet fixed.

Returns to Old Work

E. F. Owens, who has been connected with the staff of the Fire Companies Adjustment Bureau in Florida, has resigned and returned to his old field of independent adjusting at 608 Tampa street, Tampa.

Hill South Jersey Speaker

W. E. Hill, assistant general manager of the Fire Companies Adjustment Bu-

reau, will address the South Jersey Field Club at Camden Feb. 20, reviewing broadly the work of the organization with which he is identified and telling how field men may cooperate in making its program effective.

Commissioners Meet Feb. 14-15

Approving the suggestion of Secretary Jess G. Read of the National Convention of Insurance Commissioners, the executive committee decided to meet at St. Louis Feb. 14-15 and fill official vacancies resulting from changes due to state elections.

Henry Offenhauser on the Mend

The friends of Henry F. Offenhauser, senior member of the F. W. Offenhauser & Co. agency of Texarkana, are rejoicing over his gradual recovery from the stroke of paralysis he suffered several months ago. He is a brother of the late F. W. Offenhauser, who was one of the earlier presidents of the National Association of Insurance Agents.

Gus J. Daseke Injured

Gus J. Daseke, Indiana state agent of the Phoenix of Hartford group, was

seriously injured Monday night in an automobile accident. His car skidded on the icy pavement into a stop light and he was thrown out, suffering several cuts about the head. He is in the St. Vincent Hospital, Indianapolis, and the extent of his injuries is not yet fully determined.

Stone Is Aviation Cadet

Frank Stone, son of Austin Stone, independent adjuster and former president of the Central Kansas Field Club, Wichita, is one of 165 cadets accepted in the flying school at Randolph Field, Tex., out of 600 applicants. The class will receive three years' training. Young Stone, who is a nephew of Fred Stone, the actor, graduated from the University of California last year.

Ferris' Duties Increased

F. G. Ferris, heretofore Michigan state agent for the Globe & Republic, henceforward will supervise the interests of all other of the Corroon & Reynolds companies operating in the territory as well. He will continue to maintain headquarters at Detroit.

Grant White has purchased the agency of the late Henry Huber, Tipton, Ia.



Why do ANCIENT ENGLISH ARMS Grace an American Financial Statement?

IN the Seventeen Hundreds, when American criticism of British taxation still came from loyal subjects, this new world had a staunch friend in Charles Pratt, Earl of Camden and Lord Chancellor of England. Personally, and in his high legal capacity, he insisted on our rights. We colonials remembered him in naming nine towns among our Thirteen Colonies. . . . The Camden Fire Insurance Association was founded in Camden, New Jersey, in 1841. It has never been

anything but American. Yet it bears the Arms of the Earl of Camden in memory of a friend, and to perpetuate his spirit of unchanging fairness—of protection of the rights and property of others. . . . This "watchfulness for others" is important to Camden agents and their clients. It shows strongly in the financial position of the Camden Fire today—in the reserves which guard its policies. Be sure you see this statement, showing the Company's condition on December 31, 1932.

Write for this Annual Report of the Camden Fire Insurance Association.



CAMDEN FIRE INSURANCE ASSOCIATION

CAMDEN, NEW JERSEY

A sound, responsible Agency Company, founded in 1841

Please send me your financial statement of Dec. 31, 1932. I am always interested in an agency company with especially sound finances.

Name _____

Address _____

City & State _____

n-2

Snapshots of the Sales Congress in Pittsburgh

The Royal-Liverpool organization provided three speakers for the Pittsburgh conference, they being C. D. Minor, T. Y. Beams and E. J. Schofield.

R. I. Catlin, in his speech, strongly advocated enactment of legislation providing for non-liability on the part of the car owner for his guests except in the event of wanton negligence. He said that 50 percent of the claims in New Jersey last year were guest claims and many of the family variety.

J. W. Henry reported that house bill 68 in Pennsylvania is a guest bill and he urged the insurance men to get behind it.

H. S. Bepler, secretary of the insurance club and secretary of the surety association of Pittsburgh. He is connected with Hurst, Anthony & Co.

G. S. Petrik, state agent for the Liverpool & London & Globe, who is always on hand at insurance functions in his state, was on the scene early at the Pittsburgh conference and stayed through all the sessions.

The **impresarios** of the conference were blue at first, since there was only a handful present when the sessions were

started. But their faces brightened as agents began to come in, after visiting their offices. By the end of the first session more than 400 were in the hall.

H. E. McKelvey looked out for the welfare of the Liverpool-Royal men. His agency has represented the Liverpool 68 years.

Harry F. Ogden, vice-president Fidelity & Guaranty Fire, arrived early and sat attentively through all of the sessions, and attended both the accident and health and life insurance luncheons. He was escorted by Elmer R. Porter, special agent for that company.

A number of the out-of-town guests attended the dinner of the **Smoke & Cinder Club** Monday evening.

Sons of two prominent Pittsburgh insurance men were active during the sales congress, they being **J. W. Henry, Jr.**, son of the well known general agent of the Aetna Life, and **Clarence H. Alexander**, son of Joseph S. Alexander of the McCandless, Collingwood & Alexander agency.

Clarence Rich, vice-president of the Rossia, arrived Tuesday for the festivities.

John C. McCarthy was one of the busiest of the Pittsburgh workers. He was chairman of the guest committee, which meant plenty of action.

FIRE ASSOCIATION of PHILADELPHIA

401 Walnut Street, Philadelphia

(Established 1817)

FINANCIAL STATEMENT—DECEMBER 31st, 1932

ASSETS

Bonds and Stocks*	\$15,400,561.89
Mortgage Loans	2,674,801.10
Real Estate	282,398.62
Cash in Banks and Office	1,288,860.58
Premiums in Course of Collection	1,126,672.87
Other Assets	346,644.32
 Total Admitted Assets	 \$21,119,939.38

LIABILITIES

Premium Reserve	\$ 9,177,513.67
Losses in Process of Adjustment	1,337,093.00
Other Liabilities	508,491.87
Contingency Reserve	4,474,887.37
 Total Liabilities	 \$15,497,985.91
Capital	\$2,000,000.00
Surplus	3,621,953.47
 Policyholders Surplus	 5,621,953.47
	\$21,119,939.38

*Valuations approved by National Convention of Insurance Commissioners.

Otho E. Lane, President
J. G. Maconachy, Vice President W. S. Evans, Vice President
J. Victor Herd, Secretary

DEPARTMENTAL OFFICES
New York Chicago San Francisco Dallas Atlanta Toronto

Fire and Marine Insurance in All Branches

VIEWED FROM NEW YORK

By GEORGE A. WATSON

RATING ORGANIZATION MEETS

The New York Fire Insurance Rating Organization will hold its annual meeting Feb. 14 in the National Board's assembly room in New York City. Five members of the governing committee will be elected and reports made by the secretary-treasurer and managers of divisions. The nominating committee consists of O. E. Schaefer, chairman; W. H. Koop, C. V. Mescrole, R. R. Martin and C. E. Case.

QUERIES SENT TO COMPANIES

In its study of the producing branch problem the National Association of Insurance Agents submitted to company executives a series of questions designed to afford enlightenment. The queries, six in all, are:

"Is your company now operating solely on the agency plan, or partly on the production branch office (as distinguished from a service branch) to recording policy-writing agents only?"

"If you are now operating partially on the production branch office plan (as distinguished from a service branch) please designate the points where you operate production branches."

"In the above places so designated, are you operating in accordance with the rules of the local board?"

"Are you now operating at your home office or elsewhere on the over-the-counter plan, in other words, receiving business over the counter from persons other than your own recording policy-writing agents? If so, in what cities?"

"Are you now receiving business direct from any assured, either at the home office, through branch manager, or a salaried employee, or a broker, or from any other source, without such business passing through your own recording policy-writing agents? If so, in what cities? (Note: In questions 4 and 5 we do not mean to include farm business nor any small town survey business written on application through your local agents.)"

"If you are not now so doing, would you be willing to operate your company in a given locality in accordance with the reasonable rules of the local board?"

DEPARTMENT IS EMBARRASSED

The New York department is having its troubles in holding companies down in their annual statements to a position where undue advantage will not be taken of conditions. Two fire companies printed their annual statements in a New York daily. One had an asterisk marked footnote explanatory of the contingency reserve set up as a liability for the purpose of taking care of the difference between convention and market values. The department required the company to reprint the statement without the footnote. The department has received a number of letters asking if this sort of thing is allowable as it was understood pretty generally that the department objected to it.

The situation is complicated somewhat by the fact that while one company may set aside a reserve which fully covers the difference in valuation standards another may carry a contingency reserve which only takes care of a part of the difference. The latter course enables a better net surplus showing which operates to the disadvantage of the former company in comparisons of financial strength. There is considerable feeling among fire and casualty executives about this matter, especially as the department has so far resisted appeals for a change of policy.

IMPORTANT RULING MADE

A question that has arisen from time to time in insurance circles is: May a broker in New York negotiate a contract of insurance on property located outside of New York with a company not ad-

mitted to do business in the state? Superintendent Van Schaick in a recent ruling has answered the question in the negative.

It has been urged that since Section 143 of the insurance law dealing with the licensing of brokers contains a provision excluding from the operation of such section "contracts of insurance upon property located without this state," brokers were not restricted from negotiating such contracts with unauthorized insurers. This view has been rejected by the insurance department and the ruling points out that the sole effect of such provision in Section 143 is to permit contracts of the type referred to, if not otherwise unlawful, to be negotiated for a consideration without the requirement of a broker's license.

In this connection, attention is called to Section 50 of the insurance law which contains a sweeping prohibition against acting for any unadmitted insurer in the transaction of business in this state or negotiating for or placing a risk for any such insurer, or in any way or manner aiding it in effecting insurance.

FIELD CHANGES

Shifts by the America Fore

Men in the Iowa Territory Are Transferred to Other Sections and Cities

Several America Fore changes have been made in Iowa. S. S. Matson, who has been hail man in Iowa for seven years, has been transferred to the Omaha office to be in charge of hail departments for Iowa, Nebraska, Colorado and Wyoming. J. E. Cryan, in the Iowa farm department three years, also goes to Omaha as head of the farm department for all America Fore companies and Barrie Curran, with the farm department in Des Moines seven years, goes to Cedar Rapids, Ia., to handle eastern Iowa.

John R. Oakes

John R. Oakes has been transferred by the New Hampshire from the western New York field to Michigan, where he will assist State Agent C. A. Lyons in the southern peninsula. Mr. Oakes started in the home office of the New Hampshire and was sent into the New York field two years ago.

E. P. Kiesler

E. P. Kiesler, formerly with the American Central for about eight years, has been named special agent for the Kansas City Fire & Marine. Mr. Kiesler, who is thoroughly familiar with the territory, will cover all of Missouri, with headquarters at St. Louis.

W. C. Haight

Allan Raunick of Albany has resigned as special agent of the Great American and W. C. Haight has been appointed his successor. He will represent all companies in the group. Mr. Haight has had home office experience with the Great American and for some time past has been in the New York suburban field. He will make his headquarters at 11 North Pearl street, Albany.

New Jersey Field Club Meets

The New Jersey Field Club will hold a dinner-meeting Feb. 14 in Trenton instead of Feb. 13, as that is a legal holiday in New Jersey.

Standard Policy Movement in Wisconsin Is Progressing

SEVERAL CONFERENCES HELD

Department Behind Effort to Clarify Phraseology, Liberalize Contract—
Insurance Men Assist

MADISON, WIS., Feb. 8.—The next session of the legislature will approve a standard fire policy greatly liberalized for protection of policyholders and clarified so neither insurance men nor the public will have difficulty in interpreting it, if efforts under way here prove successful.

The proposed policy was discussed here at a conference of insurance men with members of the insurance department. The department has drawn up a number of suggested changes in compliance with a legislative mandate and after all suggestions offered by insurance men are considered, a standard policy will be offered at the next session.

Phraseology Clarified

Many changes suggested are to clarify phraseology as insurance companies generally have followed the policy to be stated more clearly. In other cases there is a general liberalization to protect carriers.

One of the problems discussed is the sales clause. Under the present policy, insurance is suspended in case of sale until the company accepts the change of ownership, but it was pointed out there might be loss in the interim. While insurance men declared they knew of no instance of trouble as a result of this clause the new policy probably will lay down definite procedure to assure against any insurance lapse.

One of the department's suggestions is that an insured be given 30 instead of 15 days to notify the company of loss.

Change Regarding Lapsation

Another suggested change is that insurance not lapse for 30 days when property is temporarily vacated, instead of ten days as now provided. The department points out that the ordinary vacation is longer than ten days and that under this provision much insurance lapses temporarily during vacation time.

Some insurance men favor a policy liberalization beyond the department's suggestions and some favor a provision that in case of a warehouse fire, for example, the company not only replace the goods but also dispose of merchandise that has become debris and has no salvage value. It was pointed out that such disposal is often expensive. Such additional expenses, however, would be incurred by the company only where the total cost remained within the limit of the policy. Further conferences will be held.

Reports on Fireman's Fund

President Levison Gives Figures for Parent Company and Occidental at Annual Meeting

SAN FRANCISCO, Feb. 8.—At the annual meeting of the Fireman's Fund, President Levison reported assets \$32,500,000; policyholders surplus a little more than \$15,000,000; premium reserve \$11,900,000; fire premiums \$8,074,000, a decrease of 13 percent; automobile \$2,500,000. The premium income reflected the decline in values, commerce and automobile production. The company reports underwriting profit of \$50,000.

President Levison reported 84 percent of Fireman's Fund and affiliates holdings in bonds and 16 percent in stocks, exclusive of stock held in subsidiaries and affiliates. Commenting on the coming 70th anniversary of the Fireman's Fund in May, President Levison said the company had passed through all major con-

flagrations and disasters during that time and he anticipated it would emerge from this depression stronger than ever. He said 1932 was one of the most trying years for insurance in the history of the business.

C. O. G. Miller, president Pacific Lighting Corporation, was elected a director and E. V. Mills was elected secretary-treasurer. Mr. Miller succeeds the late William J. Dutton.

The Occidental shareholders also met this week, President Levison reported the company had an underwriting profit of \$12,000.

Wisconsin Mutuals' Annual Meet

The Wisconsin Mutual Insurance Alliance will hold its annual meeting at the Park Hotel, Madison, Feb. 9. A banquet was held Wednesday evening. The alliance is an organization of three mutual organizations, Association of Wisconsin Mutual Casualty Companies; Wisconsin Association of Mutual Fire Insurance Companies; Wisconsin Association of Mutual Farm Insurance Companies.

Fire companies that have declared dividends within the past few days include the Northern of New York, \$1.50 per share; Bankers & Shippers, 50 cents; Harmonia, 50 cents; New Brunswick, 50 cents, and Republic of Texas, also 50 cents per share.

No Words Minced in Lawyer's Talk On Policy Forms

SAN FRANCISCO, Feb. 8.—In his talk the "Attorney Looks at Insurance" to the Fire Underwriters Association of the Pacific, B. W. Levit, San Francisco attorney, decried many practices of fire companies as "not only loose and careless but dangerous," adding, "indeed I consider it nothing less than miraculous that you have progressed and prospered to the extent that you have; I warn you, however, that good fortune cannot be considered a satisfactory permanent substitute for sound practice."

Considered a Necessary Evil

"Why is it," he asked, "that the average fire insurance man considers the attorney a necessary evil, to be turned to only after it is painfully apparent that his company is facing a lawsuit? Every other business produces the products it manufactures and sells according to specifications drawn by trained technicians; if it persisted in doing otherwise it would necessarily suffer. Fire insurance policies, on the other hand, which

may impose upon the companies issuing them contingent liabilities running into many thousands of dollars each, are prepared daily by clerks, brokers and agents, whose training does not and cannot qualify them for the technical task which they so lightly assume." Policy forms, he said, should be prepared by or submitted to the lawyer. "The anomaly of deferring legal consultation until a loss has occurred should be obvious, and yet my experience has demonstrated conclusively to me that the anomaly is rather the rule than the exception in fire insurance.

Criticizes Riders and Forms

"I have never been able to understand the assumption of large risks by the issuance of unique covering notes containing provisions obviously and utterly inadequate to protect the interests of the companies in event of loss. I have marvelled frequently at the peculiar forms prepared and approved and attached to important policies, which completely fail to define and limit the risk they are intended to cover. I have never been able to comprehend the philosophy of cluttering policies with conditions and restrictions which are freely eliminated at the request of the broker or agent who happens to be persistent and persuasive enough to have the request granted."

More Assets Better Assets Greater Liquidity

ANNUAL STATEMENT

December 31, 1932

ASSETS

Cash in Banks.....	\$ 273,447.02
U. S. Bonds and Treasury Notes	319,741.00
Other Bonds	236,657.50
Stocks	1,367,555.22
Mortgage Loans	213,780.95
Collateral Loans	86,607.33
Due from Agents and Other Companies (Not over 90 days old)	269,391.64
Real Estate	186,778.46
Accrued Interest	14,481.66
Other Admitted Assets.....	13,871.64
Total	\$2,982,312.42

LIABILITIES

Reserve for Unearned Premiums	\$ 856,199.06
Reserve for Losses.....	66,366.23
Reserve for Taxes.....	18,000.00
Due to Other Companies.....	28,882.03
Other Liabilities	1,609.78
Cash Capital	1,000,000.00
Net Surplus	1,011,255.32
Total	\$2,982,312.42

All bonds carried at amortized values. All listed stocks carried at market, Dec. 31, 1932. All other stocks carried at values fixed by Texas Insurance Department Examiners.

COMPARISON WITH LAST YEAR

	1931	1932
Net Premiums Written.....	\$ 870,180.02	\$1,052,478.87
Reserve for Unearned Premiums.....	722,544.22	856,199.06
Assets	2,940,492.14	2,982,312.42
Surplus to Policyholders.....	2,017,740.88	2,011,255.32

Gulf Insurance Company

DALLAS, TEXAS

E. L. FLIPPEN, President

G. C. SHEERIN, Vice-Pres.

T. R. MANSFIELD, V. P. and Sec'y

WRITING FIRE AND ALLIED LINES—AUTOMOBILE (FIVE POINT) AND PLATE GLASS

THE NATIONAL UNDERWRITER

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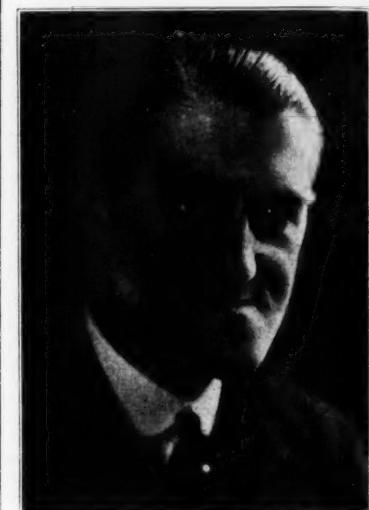
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DETROIT OFFICE
1015 Transportation Bldg., Tel. Randolph 3994
A. J. EDWARDS, Resident Manager

ATLANTA, GA., OFFICE
204 Atlanta National Bank Building
SETH WHITE, Resident Manager

PERSONAL SIDE OF BUSINESS

**Unique Method Whereby
Manager Warner Talks**



HAROLD WARNER

NEW YORK, Feb. 8.—Though unable to leave this city to attend the sectional gatherings of field men of the Royal-Liverpool groups, scheduled to take place within the next few days, Harold Warner, United States manager, will yet be the featured speaker at each of the three meetings. Through an arrangement with the American Telephone & Telegraph Company, Mr. Warner, seated in his office in the Royal building here, will yet be vocally present. He will speak first to Toledo, at 4 p. m., Feb. 9, making his opening remarks into a microphone installed on his desk. His voice will pass through an amplifying unit and emerge through a loud speaker, thereby permitting each of the 40 or more field men to hear clearly his every word. In like manner he will speak for 30 minutes or more to another group of field men at the Hotel Bismarck, Chicago, at 4 p. m., Feb. 14, and to still a third group at the Hotel Savery, Des Moines, at the same hour the following day.

A forceful yet pleasant speaker, Mr. Warner will review the results achieved the past year, and outline a business-getting program for the remaining months of 1933. While Mr. Warner will be heard but once at each of the cities the sectional meetings will each be in session two days; that at Toledo, Feb. 9-10; Chicago, Feb. 13-14, and at Des Moines, Feb. 15-16.

Guy M. Cox, well known local agent at Iron River, Mich., has been made postmaster. He is well known in insurance circles in northern Michigan. He acted as chairman of the regional meeting of the Michigan Association of Insurance Agents at Iron River in 1930. He was a clerk in the postoffice from Nov. 1, 1916, to Dec. 31, 1919. While there he was the first city letter carrier. Mr. Cox and H. J. Vesser conduct the First National Underwriters Agency.

S. Y. Tupper of Atlanta, southern manager of the Royal group, addressed the New Orleans chapter of the Insurance Institute Tuesday on "Underwriting—factors entering into the selection and rejection of risks; average; lines; reinsurance."

George D. Markham, veteran St. Louis local agent, has been reappointed chairman of the charities committee of the St. Louis chamber of commerce.

Adolph Reutlinger, vice-president Liberty Fire of Louisville, and ardent baseball fan, is heading a movement for luncheon clubs and other organizations, to sell \$175,000 bonds of the Louisville Baseball Club, to aid it over difficulties

arising as a result of failure of the National Bank of Kentucky in 1930. The club has an investment of close to \$500,000, but is hard up for ready cash, having had a poor year in 1932.

A. G. Chapman of Louisville, well known for his work a few years ago as chairman of the executive committee of the National Association of Insurance Agents, became a two-time grandfather recently, when twin daughters were born to Mrs. Louise Chapman Plamp of Louisville.

Randolph Buck, manager of the Western Factory at Chicago, who was granted a leave of absence on account of his health, is spending the winter at Sevanee, Tenn. This is the seat of the University of the South, a famous southern college, Mr. Buck being an alumnus. He is staying in the old home of Gen. E. Kirby Smith, of Confederate army fame, whose daughter Mr. Buck married in 1889.

Globe & Rutgers

FIRE INSURANCE COMPANY

111 William Street, New York City

Thirty-Fourth Annual Statement—December 31, 1932

ASSETS

Cash in banks and office.....	\$ 3,078,808.49
Bonds and Mortgages.....	121,700.00
*Bonds and Stocks.....	61,322,585.00
Premiums in course of collection.....	3,787,910.72
Interest Accrued	200,070.95
All other assets.....	3,389,054.90
	<hr/>
	\$71,900,130.06

LIABILITIES

Unearned Premiums	\$19,100,961.26
Losses in course of adjustment.....	8,826,406.00
Commissions, Taxes, Loans Payable and other items	12,514,563.22
Contingency Reserve	22,000,000.00
Capital	2,000,000.00
Net Surplus	7,458,199.58
	<hr/>
	\$71,900,130.06

*Valuations on Insurance Commissioners' Basis.

DIRECTORS

E. C. Jameson

Sumner Ballard	Lyman Candee	David Mahany	Alfred M. Rogers
H. Edw. Bilkey	Charles A. Dana	W. H. Paulison	John N. Stearns
Louis V. Bright	J. S. Frelinghuysen	R. K. Prentice	A. H. Swayne
Howard K. Brown	C. M. Jameson	Gustavus Remak, Jr.	Henry S. Thompson

"Losses Paid Since Organization" \$283,146,049.32

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Hits at Cancellation Rule

Ohio Agent Calls Attention to Some of the Objections to the New Scheme

One of the prominent Ohio agents voices his disapproval of the cancellation rule promulgated by the Ohio Inspection Bureau. He also does not approve of the proposed change in the present rule as recommended by the uniformity committee. This proposed change permits the cancellation of a policy on a prorata basis when no reduction in rate is involved provided, of course, the policy is rewritten at the same or higher rate in force at the time the policy is cancelled, in the same company, on the same property, for equal amount and for not less than the unexpired term of the policy cancelled.

This permits the prorata cancellation of a policy at a lower rate, only if the symbol "R" appears in the occupancy column at the time the rate is promulgated. This agent, however, takes the position that this is manifestly unfair to the policyholder for the simple reason that a change of occupancy may materially lessen the fire hazard and very materially lessen the rate in consequence thereof, making it a better risk from an underwriting standpoint. Yet the policyholder or property owner is deprived of the benefit of such reductions.

The agent recommends that a prorata cancellation should be in order at any time if the policy is cancelled and rewritten in the same company on the same property for not less than the same amount and for not less than the term for which the cancelled policy was originally written. He advises that this is the consensus of opinion of the officers of the Ohio Association of Insurance Agents and the majority of the local boards. He also voices the opinion that it is manifestly unfair to the majority of the local agents in Ohio when it is broadcast that the recent changes in rules as promulgated by the Ohio Inspection Bureau were made at the instigation of these local agents and with their full approval. This was the impression that was created when in reality such was not the case, he contends.

Carriers Recover From Gas Firm in Toledo Explosion

The Ohio supreme court has affirmed the decision of the lower court awarding insurance companies and the trustees of the First Congregational Church of Toledo \$205,000 damages against the Northwestern Ohio Natural Gas Company.

The church was damaged and three employees were killed in 1926 in an explosion and ensuing fire. The insurers paid the church \$125,000 and took subrogation against the gas company. The difference between \$125,000 and \$205,000 was the uninsured loss to the church.

The plaintiffs contended that the explosion resulted from a leak in a gas main, of which the gas company had been apprised, but about which it had done nothing. The gas company contended that it was not the owner of the pipe in which the leak existed.

The law firm of Mooney, Bebbec & Edmonds of Columbus, represented the companies.

C. F. Jaeger, 61, president of the Jaeger Insurance Agency, Columbus, O., died Sunday from a heart attack. He formed the agency in 1913. Two of his sons were associated with him in the business.

Benefits of Fire Insurance

Important Functions Aside from Protection Stressed by Wilbur in Columbus Talk

No business faces the future with so proud a record as that established during the depression by stock fire insurance, Harry Curran Wilbur of Chicago told the Ohio Fire Underwriters association in its meeting at Columbus Tuesday. His subject was "Maintaining the Fabric of the World." In years gone by stock fire insurance proved at Chicago, Boston, Baltimore, Atlanta and San Francisco that it was conflagration-proof, and in the last three years it also has proved itself depression-proof. The companies took their losses uncomplainingly, not passing them on to assureds in the form of defaults, curtailed services nor increased rates.

A little recognized function of fire insurance is that of making it possible for home owners to obtain mortgages. Without the fire insurance protection mortgages could be placed only on land values. He also emphasized the investments of stock fire insurance in basic industries, citing nearly \$181,000,000 in railroad stocks, \$287,000,000 railroad bonds, \$182,000,000 public utility stocks and approximately the same sum in public utility bonds; \$305,480,000 industrial stocks of American manufacturers and \$97,000,000 in their industrial bonds. Of stock fire companies, Mr. Wilbur said, the New York companies alone have nearly \$9,000,000 invested in one of Ohio's great industries, steel works and rolling mills, and \$851,000 in Ohio's second ranking industry, manufacture of rubber tires and inner tubes. The New York companies have invested in Ohio industrial securities \$2,494,000. These companies also have invested nearly \$127,000,000 in municipal, county and school district bonds, \$42,000,000 in bonds of states and territories and \$175,000,000 in bonds and securities of the United States.

Mr. Wilbur finds these companies have a grand total of \$2,634,324,735 invested in industry, banking and government bonds.

Ohio Mutuals' Meeting

The Federation of Mutual Insurance Associations of Ohio will hold its an-

Dicky Deatrick, Age 8, Forms the Aviators Ins. Co.

Richard W. (Dicky) Deatrick of Defiance, O., is the son of J. F. Deatrick of the J. F. Deatrick & Co. agency of that city. He is eight years old, and the insurance instinct of three generations has come down to him in concentrated form.

On his own initiative and without any suggestion from anyone, he has been soliciting insurance for a company of his own which he calls the "Aviators Insurance Company," Richard W. Deatrick, manager. He sells his policies for a flat premium of 5 cents to the probably amused friends of his family.

He is carrying on the traditions of his great grandfather, who founded the Deatrick Agency in Defiance in 1857. He is a grandnephew of "Pete" Deatrick, state agent emeritus of the Home in Ohio.

nual meeting Feb. 21-22 in Columbus. Among the speakers will be Superintendent C. T. Warner, Attorney General Bricker, National Secretary H. P. Cooper of Indianapolis and G. W. Miller, Bucyrus, former national president. R. E. Sawyer, Shelby, is president of the association and A. F. Little, Covington, secretary.

Farewell for Manchester

CLEVELAND, Feb. 8.—A farewell luncheon was given in honor of Harry R. Manchester, retiring president of the Insurance Board of Cleveland, by officers, trustees and past presidents, on the eve of his departure on a world tour. Mr. Manchester is a former member of the executive committee of the National Association of Insurance Agents and well known to agents all over the country.

Chief Granger to Speak

CLEVELAND, Feb. 8.—James E. Granger, Cleveland fire chief, will speak at the Insurance Board meeting March 15 on "The Work of the Fire Department and Arson Squad." Chief Granger, in addition to having a national reputation because of his record, is popular with insurance men.

A. S. Forsch of Cleveland has changed the name of his agency from F. S. Koskins & Co. to A. S. Forsch & Co.

CENTRAL WESTERN STATES

Will Have Midyear Meeting

Illinois Association of Insurance Agents Will Pay Honor to Superintendent Ernest Palmer

The Illinois Association of Insurance Agents in planning for its mid-winter meeting in Springfield, March 9, will make it a gathering in tribute to Ernest Palmer, the new Illinois insurance superintendent, who recently resigned as manager of the Chicago Board. Mr. Palmer always attended the Illinois agency meetings and took a prominent part. He will be the principal speaker at the banquet. Allan I. Wolff of Chicago, chairman of the National association executive committee, will speak. The meeting during the day will be devoted largely to business considerations with perhaps two set addresses. The

meeting at Springfield at this time will give an opportunity to the agents to come in contact with their legislators. S. E. Moisant of Kankakee, secretary of the association, was in Chicago Monday conferring with President Rockwood Hosmer regarding the meeting. He will be in Springfield later this week, making arrangements for the meeting.

Palmer's First Communication

Illinois Superintendent Issues Instructions on Publication of Summaries of Annual Statements

Superintendent Palmer of Illinois, in his first official communication, has announced that publication of the summary of annual statements as required by the statutes of Illinois, hereafter should be arranged either by companies

individually or through the insurance department, which will handle the transaction at actual cost, "which means, plainly and simply, the sum which the newspaper will charge, plus a reasonable charge for the time, postage, etc., necessary properly to handle the matter."

If the latter plan is followed, Mr. Palmer said, the department will send soon after March 1 a statement of the estimated cost of the transaction, which should be paid in advance. A refund may be made over and above actual cost, or if the estimate proves to be too low, an additional bill will be sent.

It is within the discretion of the company to determine which of these methods it cares to employ. Mr. Palmer states he is not urging the adoption of the second method, but is merely willing to be of service if the companies so desire.

Mr. Palmer asked the companies to be particularly advised that no person is authorized to say that he now has "the approval of the insurance department" to act for the companies in this respect. The duties imposed upon the superintendent by law, he said, are merely to see that the statement is published in an English language newspaper—one in Springfield and one in Chicago—for a period of not less than 15 days.

Qualification Law Will Be Discussed by Michigan Men

LANSING, MICH., Feb. 8.—Discussion of probable efforts to place an agents' qualification law on the statute books at the current legislative session is expected to feature the spring meeting of the Michigan Association of Insurance Agents here Feb. 14.

Clyde B. Smith, former president, National association and newly elected head of the Lansing association, is in general charge of arrangements. A dinner will be held the evening preceding the general meeting. The association's governing committee and the Michigan Council of Local Boards will both meet Monday.

The Tuesday meeting will be strictly an executive session from which all but association members will be excluded. Legislative matters of interest will undoubtedly be taken up and rule changes will be discussed, including those pertaining to other insurance permits and charges for vacancy. It is anticipated that some grievances will be aired and many problems peculiar to local agents analyzed and suggestions for their solution solicited. At the luncheon members of the house and senate insurance committees will be guests.

Michigan Governor Proposes Three Percent Premium Tax

LANSING, MICH., Feb. 8.—Gov. W. A. Comstock late last week disclosed his financial program for the state, featured by a proposed sales and gross income tax law which would include a 3 percent levy on the gross receipts of Michigan companies and of all agencies but would specifically exempt non-resident companies which now pay a tax on premiums. The measure is creating much discussion in insurance circles as it is among Michigan business and industrial leaders generally.

The sales tax bill, which would raise a minimum of \$35,000,000 annually, according to administration estimates, would permit abolition of the present state property tax. The sales tax bill, besides exempting the revenues of the companies now paying a premium tax, specifically exempts all insurance bene-

LOYALTY GROUP

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d Vice Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board
HENRY M. GRATZ, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d Vice Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

SUPERIOR FIRE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1871

NEAL BASSETT, Chairman of Board

W. E. WOLLAEGER, President JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
H. R. M. SMITH, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President

NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

NEAL BASSETT, Chairman of Board

H. S. LANDERS, President J. C. HEYER, Vice President WINANT VAN WINKLE, Vice President JOHN R. COONEY, Vice President
E. G. POTTER, 2d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. MCCLURE, 3d Vice Pres. T. A. SMITH, Jr., 3rd Vice Pres. F. J. ROAN, 3d Vice Pres.

THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board

H. S. LANDERS, President WINANT VAN WINKLE, Vice President J. C. HEYER, Vice President JOHN R. COONEY, Vice President
E. G. POTTER, 2d Vice Pres. T. A. SMITH, 3d Vice Pres. FRANK J. ROAN, 3d Vice Pres. E. R. HUNT, 3d Vice Pres. S. K. MCCLURE, 3d Vice Pres.

COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

WESTERN DEPARTMENT
844 Rush Street, Chicago, Illinois
HERBERT A. CLARK, Vice President
H. R. M. SMITH, Vice President
JAMES SMITH, Secretary

CANADIAN DEPARTMENT
461-467 Bay St., Toronto, Canada
MASSIE & RENWICK, Ltd., Managers

EASTERN DEPARTMENT
10 Park Place
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street,
San Francisco, California
W. W. & E. G. POTTER, 2nd Vice Presidents
FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT
912 Commerce St., Dallas, Texas
OLIN BROOKS, 2d Vice President
BEN LEE BOYNTON, Res. Vice President
A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

fits paid under life, endowment, annuity and similar contracts. Fraternal benefit societies are also exempted as non-profit institutions. The bill specifically exempts salaries and wages paid under compensation agreements but this exemption, it is conceded, would not apply to ordinary agency contracts where remuneration is on a commission basis. A general exemption of \$4,800 annually is allowed under the bill to all individuals and firms subject to the tax.

Speakers Forum Is Launched by the Michigan Field Men

The Michigan Fire Prevention Association has launched a speakers forum. This was decided at a meeting of Michigan field men who live in Detroit and vicinity. E. P. Rogers of the Caledonian was elected president and J. J. Hubbell of the Security of New Haven, secretary. He is secretary of the state fire prevention association. H. J. Fox of the Michigan Inspection Bureau will deliver a short lecture before the forum each week on some phase of public speaking. This plan is inaugurated in order to better equip field men for giving public talks.

Annual Meeting at Lansing

The annual meeting of the Michigan Blue Goose will be held at the Hotel Olds in Lansing, March 7. The toastmaster will be L. R. Hanawalt, assistant western manager of the National of Hartford, and the guest speaker will be C. P. Helliwell, general agent for the New Brunswick at Milwaukee and grand wielder of the Blue Goose. Other speakers will be announced later.

Indiana Fire Underwriters Meet

INDIANAPOLIS, Feb. 8.—The Indiana Fire Underwriters Association monthly meeting marked the best attendance since the club's organization here Monday. President T. R. Dungan expressed his hearty appreciation of the fine support he is being given by the membership.

Award Detroit Traction Line

DETROIT, Feb. 8.—The department of street railways has awarded a contract for \$539,000 of fire and lightning insurance on barns and rolling stock to the Detroit Insurance Agency and Johnson & Higgins, low bidders. The general manager ruled that the policies must be delivered within two weeks, in view of statements by competitors that the

agencies cannot deliver policies at the rate of 93 cents per \$100 for three years set forth in their bids. The policies will replace \$2,000,000 in insurance expiring Jan. 27. Another \$3,000,000 expires in May.

Forest City Agency Change

The Forest City Insurance Agency of the National of Hartford at Rockford, Ill., has been reduced to a local office of the National, where agents of that company in Rockford and vicinity will report. Agents in northern Illinois, who have been reporting to the Forest City agency, except the agents of Rockford and vicinity, will now report to the western department of the National at Chicago.

D. C. Putnam remains as manager of the local office. C. E. Castle, assistant manager of the Forest City agency, is now traveling in Illinois for the farm department of the National. The Forest City agency was an outgrowth of the Forest City Insurance Company, which was reinsured by the National.

Indiana Preventionists Elect

The annual meeting of the Indiana State Fire Prevention Association was held in Indianapolis Monday. George R. Juenger, United States Fire, was elected

president; C. R. Watkins, New York Underwriters, vice-president, and E. R. Hubbell, Royal group, retiring president, was elected secretary-treasurer. There was no other special business transacted. Town inspection activities have been slowed up, as field men of all companies have been busy with collections.

Jesse Adams in New Post

Jesse Adams, well known in Indianapolis insurance circles for the past 20 years, has been appointed manager of the insurance department of Schloss Bros. Investment Co. of Indianapolis. For some years Mr. Adams was manager of the insurance department of the Security Trust Company and recently has been conducting a brokerage business.

Central States Notes

R. C. Stuber, operating the New Corydon Insurance Agency at New Corydon, Ind., since 1911, died last Saturday.

"Smoky" Rogers of the Western Actuarial Bureau at Chicago will put on his fire clown act before four different groups of school children at Marion, Ind., next Tuesday.

C. M. Cartwright of The National Underwriter addressed the Rockford Insurance Club at Rockford, Ill., last Thursday evening. Executive Assistant E. T. Tanner of the Security presided. Assistant Manager F. D. Hess of the American spoke briefly. The executives of both departments were present.

STATES OF THE NORTHWEST

Three Duluth Agencies Join

Important Minnesota Offices Are Consolidated as Charles F. Liscomb Company

Three agencies of Duluth, Minn., have been consolidated under the title of Charles F. Liscomb Company. The offices embraced in the consolidation are James H. Harper Company, Wheeler-Merritt Company and Michaud-Liscomb. The new agency will occupy quarters in the new Medical Arts building after May 1.

The officials of the new agency will be E. M. Heinselman, who has operated the James H. Harper Company since the death of Mr. Harper several years ago; B. N. Wheeler, who has been in charge of the Wheeler-Merritt agency except for the time he served as commissioner of public safety; C. F. Liscomb, who has been head of the Michaud-Liscomb office, which took over the business of the Michaud

agency several years ago; R. D. MacKenzie and J. T. Michaud, associates of Mr. Liscomb.

Mr. Liscomb is active in insurance organization affairs, being a past president of the Minnesota Association of Insurance Agents and is at present national councillor for Minnesota.

Would Penalize False Rumors

ST. PAUL, Feb. 8.—The senate insurance committee has recommended for passage a bill that makes it a misdemeanor to circulate false rumors regarding the solvency of insurance companies.

Will Move to Minneapolis

Goddard & Heinselman, Duluth general agents, will move their headquarters Feb. 11 to 334 Security building, Minneapolis. E. M. Heinselman will be in charge of that office. The Duluth office, now in the Providence building, will be continued, but after May 1 will move to the new Medical Arts building.

Converse Goddard, Chicago broker,

who is senior member of the firm, will continue in Chicago. Mr. Heinselman, who has been a partner in the James H. Harper Co. local agency at Duluth, recently consolidated with the Charles F. Liscomb Co., will retain his interest in that agency.

Wisconsin Insurance Club Meets

The agency balance situation and other matters of importance to field men in Wisconsin will be discussed at a meeting of the Wisconsin Insurance Club at Fond du Lac Wednesday evening, Feb. 15. The meeting is being held upstairs for the convenience of some members who are located greater distances from Milwaukee.

Mutual General Agency

The Lumbermen's & Manufacturers' Mutuals of Wisconsin, Inc., has been incorporated by C. E. Blake, Donald MacDonald and C. A. Winding to operate a general insurance agency at Milwaukee.

Curiosity Runs Up Expense

MADISON, WIS., Feb. 8.—Legislative curiosity helps run up the expense of state departments, Commissioner Mortensen informed the legislative finance committee. He told of receiving a letter from the assembly asking for the salaries of all officers of Wisconsin insurance companies. He said he had no way of getting this information except by writing to all of the companies.

As a result 500 letters are going out to the companies and at some time in the future the assembly will be furnished with a typed list of all insurance company officials and their salaries.

Superior Board Elects

F. R. Crumpton was reelected president of the Superior (Wis.) Board at the annual meeting; S. C. Clemens, vice-president, and Michael Howe, secretary-treasurer.

Range Association Meets

The Range Association of Insurance Agents met Feb. 4 at Chisholm, Minn. R. C. Huber of Chisholm is president, and William Knudson of Hibbing is secretary.

Wisconsin Notes

R. E. Verner of the Western Actuarial Bureau in Chicago, will address the safety council of Two Rivers, Wis., Feb. 13.

C. A. Schindler, for the last 11 years with the First National Bank of Monroe, Wis., has joined his brother, H. L. Schindler, in his agency there.

MARSH & McLENNAN

Insurance

**FIRE
CASUALTY**

**LIFE
MARINE**

**BOND
AUTOMOBILE**

164 West Jackson Boulevard, CHICAGO

NEW YORK
MINNEAPOLIS
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CLEVELAND

DETROIT
COLUMBUS
INDIANAPOLIS

LONDON

MONTREAL
PHOENIX
WINNIPEG

DULUTH

SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER

IN THE MISSOURI VALLEY

Ask Omaha Grand Jury Probe

Believe Arson Ring Operating There—Stanbery Seeks Report on City by Company Engineers

OMAHA, Feb. 8.—Investigations of several recent fires here led to the belief that an arson ring is operating in Omaha. Several companies engaged an attorney to look into the matter and he has asked the district judges to call a grand jury so that evidence now on hand may be presented. Frank Stanbery, manager Nebraska Inspection Bureau, will aid in pushing the investigation.

Mr. Stanbery has also invited several company engineers in Chicago to come to Omaha and make a general investigation of fire hazards and the efficiency of the Omaha fire department. "Too many of these fires appear suspicious," he said. "We cannot prevent them starting, but there has been trouble in controlling them. I hesitate to say anything further until these engineers have made a report."

Iowa Association Leaders Meet in Des Moines Feb. 13-14

The officers and members of the executive and legislative committees of the Iowa Association of Insurance Agents will hold a meeting at the Kirkwood hotel in Des Moines, Feb. 13-14 as a sort of mid-year meeting. Chester E. Ford of Des Moines is chairman of the legislative committee and has been working hard on three bills for consideration at the present session of the legislature. The Iowa association is progressing nicely. W. A. Scherfe of Fort Madison is president.

Kansas Executives Meet

TOPEKA, KAN., Feb. 8.—The Kansas Association of Insurance Agents executive committee met here to discuss legislation and other problems. Duane T. Stover, chairman executive committee, presided at the day session and President Holmes Meade presided at a dinner at which the state senate's insurance committeemen were guests.

Patton Issues Bulletins

Wade Patton, secretary Kansas Association of Insurance Agents, has mailed No. 2 of a series of bulletins to member agencies. It contains two pages of news relative to local boards and agencies and insurance legislation now pending. Collection hints and other valuable information are given.

Public Officials Guests

WICHITA, Feb. 8.—Members of the Wichita school board and the county commissioners were guests of the Wichita Insurors at their meeting this week. President A. E. Smoll presided and members of the insurance committee, headed by John Kelly of the Wheeler, Kelly, Hagny Agency, explained how the board handled the insurance on all public property. Insurance on school board property has been handled by the Wichita Insurors for ten years and in that time the county, city library and Y. W. C. A. property has also been taken over by the board.

Seek Impounded Premiums

TOPEKA, KAN., Feb. 8.—Plans are under way in the Kansas legislature to obtain at once some of the residue of the fire insurance impounded premium fund or the interest on the fund for the use of the state in paying its own expenses. The ways and means committee of the senate has presented a resolution directing the insurance commis-

sioner to ask the Shawnee county district court for an order to pay \$125,000 into the state treasury at once. The money would go into the general fund and help pay the state bills.

Scherfe at Centerville

W. A. Scherfe, Fort Madison, president of the Iowa Association of Insurance Agents, at a conference last week with members of the Centerville (Ia.) Association of Insurance Agents, discussed the present insurance situation and pending legislation.

Nebraska Discrimination Bill

LINCOLN, Feb. 8.—A bill was introduced in the Nebraska legislature just before the time limit expired, making it unlawful for fire insurance companies and rating bureaus to discriminate unfairly among risks in the application of like charges and credits among risks having essentially the same hazards, territorial classification and substantially the same protection. The penalty is revocation of licenses of agent and company for three months.

Other bills empower the insurance department to seek appointment as receiver for foreign insurance companies having bonds and other securities on deposit with the department, and provide for taxing mutual and assessment fire companies the same amount as stock companies for support of the state fire marshal's office.

Marshal to Insurance Bureau

LINCOLN, Feb. 8.—After turning down Governor Bryan's request to consolidate the state fire marshal's office with that of state sheriff and make it part of a new department, including all state inspectors of various types, the Nebraska house has made it a part of the insurance department, which is to be made a separate bureau.

Shenandoah Board Elects

John F. Lake has been reelected president of the Shenandoah (Ia.) Association of Insurance Agents. Frank Van Buskirk is reelected vice-president and John S. Cutter, secretary-treasurer.

Earl Hutton of the Hutton & Son agency, Wichita, who has been confined to a hospital for six weeks from a ruptured appendix, is reported improved but will not be able to return to his office for some time yet.

News of States in the Southwest

Go to Cravens, Dargan & Co.

Hornberger, Beckmann & Co. and P. A. Beckmann of San Antonio Merge with Houston Firm

HOUSTON, TEX., Feb. 8.—The general insurance agencies of Hornberger, Beckmann & Co. and P. A. Beckmann of San Antonio have transferred their business to Cravens, Dargan & Co. of Houston. The principals of both of the San Antonio firms henceforth will be associated with Cravens, Dargan & Co. and agents of the San Antonio firms will retain their former connections and in addition will have available to them other insurance facilities of Cravens, Dargan & Co. Thus the acquisition of the Hornberger, Beckmann & Co. business brings back to the Cravens, Dargan & Co. personnel two veteran insurance men who were associated in the early days of Texas insurance with James Cravens, founder of the Houston firm, J. G. Hornberger and his nephew, A. G.



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Beckmann, became associated with Mr. Cravens about 35 years ago when the Texas insurance business still was in its infancy.

Mr. Hornberger's first insurance job was that of office boy in an Austin local agency. He joined James Cravens as assistant state agent in Dallas in 1898.

Later he went with Trezevant & Cochran at Dallas and then opened his own business in Austin in 1906. In 1911 he moved to San Antonio and has been there since that time.

A. G. Beckmann also entered the insurance field via the office boy's job. He worked for his uncle at Austin until

joining Mr. Cravens in Dallas and later, on Jan. 1, 1903, coming to Houston when the firm was started here. He remained with Mr. Cravens in Houston for several years and then rejoined his uncle in San Antonio. He became a member of his uncle's firm when it became Hornberger, Beckmann & Co. in 1917.

Paul A. Beckmann, a younger brother of August G., entered his uncle's office 22 years ago and with the exception of service in the army during the war remained with the firm until he established his own agency in 1929.

One-Day Drives Get Results

OKLAHOMA CITY, Feb. 8.—Secretary M. M. Keys of the Oklahoma Association of Insurors reports the addition of 40 new members as the result of one-day visits to surrounding towns, by groups of Oklahoma City and Tulsa agents.

Make Commissioner Receiver

OKLAHOMA CITY, Feb. 8.—The insurance commissioner would become the receiver for any insurance company operating in Oklahoma, and receivership action would be begun by the attorney general, under a bill introduced in the Oklahoma legislature. In case a foreign company is placed in the hands of a receiver in another state, then the Oklahoma commissioner would take charge of its business in this state.

Valued Policy in Oklahoma

OKLAHOMA CITY, Feb. 8.—The value of property on which insurance has been written, when a loss or liability occurs, shall be the amount designated on the face of the policy, less depreciation, under a bill introduced in the Oklahoma legislature. The bill proposes that "a reasonable amount" may be considered in the matter of depreciation.

In considering the senate departmental appropriations bill, the house appropriations committee voted to eliminate all appropriations for the state fire marshal's office.

Executives in San Antonio

J. C. Evans, secretary Home of New York; W. D. Reed, vice-president Northwestern National; F. W. Koeckert, United States manager Commercial Union; M. L. Canfield, executive special agent Home of New York, Dallas; James Cravens, of Cravens, Dargan & Co., Houston, and F. M. Highfill, state

Arkansas Manager



L. R. MARTIN

L. R. Martin of Pocahontas, Ark., who has been appointed manager of the Arkansas Association of Insurance Agents, will assume his new duties March 1. He served as president of the Arkansas association and due to his efforts largely the membership was increased from 132 to almost 300. It is expected that he will undertake an intensive membership campaign shortly after he assumes his new duties.

agent Globe & Rutgers, were in San Antonio last week on business.

Plan Blue Goose Dinner Dance

SAN ANTONIO, Feb. 8.—The Blue Goose will give a dinner dance to the ladies of the members here Feb. 25. A special invitation is being extended to Blue Goose members in Houston and Dallas and their ladies.

The committee on arrangements includes Miles Burton, J. C. Lumpkin and George Sellers.

The Oklahoma Fire Prevention Association will conduct a two-day educational and inspection program in Branson, Wednesday and Thursday of this week. J. A. Bosdett, state agent of the Royal, is chairman of the arrangements committee.

IN THE SOUTHERN STATES

Gandy Gives Memphis Address

President National Association of Insurance Agents Was Guest of the Local Agents

At the meeting of the Memphis Insurance Exchange last Friday evening, President C. L. Gandy of the National Association of Insurance Agents was the main speaker. The exchange acted as host to all members, solicitors and broker members, it also having invited out-of-town agents from Jackson, Ripley, Covington, Brownsville and Dyersburg. Mr. Gandy's subject was, "Are Organizations Worth While?" W. M. Garrett is president, E. O. Bailey, vice-president and Herman Gruber, secretary and treasurer. It was hoped to have Insurance Commissioner J. S. Tobin of Tennessee, former president of the exchange, present but he was detained on account of important duties of his office.

sure their properties in fire insurance mutuals, Attorney-General Beeler of Tennessee ruled in an opinion to the insurance commissioner. An opinion written in 1921 held that public properties could not be insured in mutuals, but the later ruling holds that this applied to county mutuals and not to carriers organized under laws of Tennessee and other states. The attorney-general holds that mutuals issuing assessable policies may also issue non-assessable contracts if these clearly state that the maximum premium to be paid by a policyholder shall be a cash premium set out in the policy. Such a policy may be written only by mutuals having at least \$100,000 surplus or a surplus not less in amount than the capital required of domestic stock companies transacting the same kind of business in the state.

Alabama Transfer Proposed

MONTGOMERY, ALA., Feb. 8.—Under the guise of economy, a bill has been introduced in the special session of the Alabama legislature to transfer the powers and duties of the insurance bureau to the state banking department. A similar measure was defeated in the last legislature with the aid of the Alabama Association of Insurance Agents. At a joint meeting of the Montgomery

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Association of Life Underwriters and the Montgomery Real Estate & Insurance Exchange, resolutions were passed condemning the proposed legislation. The resolutions were transmitted to Superintendent Greer by Sylvain Baum, legislative committee chairman, and Carl Wilson, member of the executive committee of the Alabama Association of Insurance Agents.

It is understood that the Alabama Bankers' Association has also taken steps to oppose the bills on the ground that it would be wrong to saddle the duties of the insurance department on the banking department.

President Gandy to Speak

President Charles L. Gandy of the National Association of Insurance Agents will be one of the chief speakers at the Florida local agents' association meeting at Tampa, he representing the national body.

Augusta to Be Self-Insurer

AUGUSTA, GA., Feb. 8.—The city of Augusta in the interest of economy will attempt to carry its own insurance this year, thereby saving annual premiums

of \$18,000. R. E. Allen, Jr., and Scott Nixon, local agents and members of the city council, will endeavor to show the fallacy of such economy, especially when the insurance companies pay into the city treasury over \$30,000 in taxes and licenses.

H. A. Fischer Transferred

H. A. Fischer, who has been serving as assistant to John F. Lee, superintendent of the Tennessee Audit Bureau, has been transferred to the Kentucky Actuarial Bureau as assistant to W. E. Clarke, superintendent of the audit department.

Southern Notes

J. T. Llewellyn, local agent of Newport News, Va., died last week.

Matheny, Peebles & Seigler, Augusta, Ga., have taken over the E. O. Cooper agency.

D. K. Gunby, who established an insurance agency at Tampa, Fla., in 1894, in partnership with H. J. Drane of Lakeland, died the past week.

W. I. Edwards, vice-president of the Tennessee Association of Insurance Agents, addressed the commercial vehicle division of the safety department of the Nashville chamber of commerce.

PACIFIC COAST AND MOUNTAIN

Starr Heads Seattle Agents

King County Association Closes Year's Work with Enthusiastic Banquet Session

SEATTLE, Feb. 8.—The King County Insurance Association climaxed its year with an enthusiastic banquet session. President M. B. Hevly reported a membership of 113 as compared with 89 a year ago, that finances of the association were in excellent condition, and that the past year had been one of great accomplishment for the association and its members. He stated that the reciprocity program had been carried forward throughout the year and lauded especially the good work performed by the grievance committee. He cited the almost universal adoption of the general basis schedule as a real forward step.

Orin D. Starr was named as the new president; Percy J. Perry, vice-president, and Walter C. Crockett, secretary-treasurer. The board will consist of Bart Spellman, Aubrey Wilton, Stuart Fiskin, E. R. Bowden and Kenneth Morford.

Some 130 members of the insurance fraternity were present. D. A. McKinley, most loyal gander of Blue Goose, extended greetings from the organization and urged that those connected with the business spread confidence in the financial position of stock insurance companies, rather than assist in broadcasting ill-founded gossip.

Reelect Salt Lake Officers

SALT LAKE CITY, Feb. 8.—All officers of the Salt Lake Board were reelected at the annual meeting. They are: R. T. Wennerblom, E. B. Wicks Company, president; W. C. Cox, Gaddis Investment Company, vice-president; G. E. Kenning, Eastman-Hatch Company, secretary, and Rulon Sanders, Owen Woodbury Company, treasurer.

Adjusting Agency Moves Office

Robert Cochran, manager of the Casualty & Surety Adjusting Agency, Los Angeles, will remove March 1 to larger quarters at 742 South Hill street. The agency will continue to offer claim and legal service on life, fire and marine insurance in addition to all classes of casualty, fidelity and surety.

Before organizing the Casualty & Surety Adjusting Agency Mr. Cochran was with the Standard Accident for nine years as home office examiner and later

special representative, reorganizing and examining claim and legal departments in the field. He also managed claim and legal departments in Kansas City and Los Angeles. Prior to his connection with the Standard he managed the claim department of the Employers Liability at Louisville for four years.

Greer and Hiestand on Coast

F. J. Greer, vice-president Monarch Fire of Cleveland, and J. C. Hiestand, secretary Ohio Farmers, who are on a tour of the Pacific Coast, spent last week at Los Angeles visiting the agencies representing these companies in southern California.

Ordered to Pay Up

DENVER, Feb. 8.—Governor Johnson has ordered the state hail insurance board to pay to the general fund \$10,000, loaned to it in 1929. The legislature in that year appropriated \$15,000 to the board as a starting fund for state-operated hail insurance, of which \$5,000 has already been returned.

Williams Moves to Denver

F. C. Williams, who has been special agent for the North America with headquarters at Sheridan, Wyo., has been transferred to Denver. From there he will travel in Colorado, Wyoming and New Mexico.

Brown With Jenkins Agency

R. H. Jenkins, Los Angeles general agent, has appointed R. M. Brown as special agent in southern California. He was formerly with the Union Indemnity as special agent.

Louis J. Miller

Louis J. Miller of Richmond has been appointed state agent of the Union of Paris for South Carolina, Georgia, Florida and Alabama, with offices in the Trust Company of Georgia building, Atlanta. Mr. Miller has many friends in Atlanta. For years he was the assistant under General Agent Godfrey, who had charge of the southern territory for the Western of Toronto.

Spokane Board Elects

H. C. Wegner has been elected president of the Spokane (Wash.) Insurance Association; Jack O'Brien, vice-president; T. J. Meenach, secretary-treasurer, and W. L. Berry, Hans Anderson and Bruce M. Hay, trustees.

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EASTERN STATES ACTIVITIES

To Meet in New York City

Annual Convention of the State Association of Local Agents Shifts from Syracuse

NEW YORK, Feb. 8.—This city, instead of Syracuse as formerly, will be the place of meeting for the annual convention of the New York State Association of Local Agents this year, the executive committee having selected the Hotel Astor as the headquarters, and the dates May 22-24. On May 22 directors will confer with local board presidents on problems of a general nature, and in the evening of the same day a get-together-dinner of a wholly informal character will be held, at which A. I. Wolff of Chicago, chairman of the executive committee of the National association, will be the guest speaker.

The following evening banquet is scheduled. Among speakers will be Superintendent G. S. Van Schaick of the New York department, and W. H. Bennett, secretary National Association of Insurance Agents.

W. M. Gildersleeve of Central Valley is president, and T. L. Rogers of Little Falls is secretary.

Van Schaick Seeks Measures

Legislative Recommendations Submitted by N. Y. Superintendent—Wants Stricter Investment Law

ALBANY, N. Y., Feb. 8.—Superintendent Van Schaick has proposed a number of bills to the present legislature. He seeks to have the cost of examinations of rating organizations borne by them, just as the companies pay the expenses of their examinations. He would also compel domestic companies with executive offices in other states to keep their securities in New York state.

The superintendent also proposes to amend the law restricting investments of 70 percent of the unearned premium and loss reserves funds of non-life companies to the securities now prescribed for life companies. Such reserves are trust funds and should have greater safeguards thrown around their investment, he said. He would also limit the investment in securities of any one institution or piece of property to 5 percent of the company's assets. He also wants restrictions for investing in affiliates.

An extension of the period for holding of securities illegal for investment, where they cannot be disposed of without financial loss, is proposed. The adjustment of amortization measures that it will not conflict with the National Convention of Insurance Commissioners' report is urged. Power is also sought to permit the superintendent of insurance to adopt methods for a standard valuation of assets to the best interests of the people. The superintendent also wants an amendment forbidding and prohibiting insurance companies from making loans or advances to any of their officers, directors, agents, trustees or employees.

The superintendent also seeks a deposit of a \$15,000 surety bond as a condition precedent to the filing of an application for a company license.

Not a State Function

Upon receipt of an opinion from Attorney General Stevens of New Jersey that the insuring of property of students attending normal schools was not a state function, the state board of education ordered such coverage eliminated from all properties under the board's jurisdiction.

Bay State Club Elects

BOSTON, Feb. 8.—The Bay State Club, composed of special agents with

headquarters in Boston, at its annual meeting elected these officers: President, S. W. Tebbetts, America Fore; vice-president, W. A. Sturgis, North British & Mercantile; treasurer, Emil Ribbe, Massachusetts Fire & Marine; secretary, Walter Kearny, American of Newark.

MOTOR INSURANCE EVENTS

Underwriting Problems Told

Appointment of Auto Dealers as Agents Is Serious Situation, W. T. Barr Tells F. U. A. P. Meeting

Some of the problems of automobile underwriting in the depression were outlined by W. T. Barr, manager of the coast automobile department for Crum & Forster, at the annual meeting of the Fire Underwriters Association of the Pacific. Although there has been a sharp drop in production of new cars, registration has not decreased in the same proportion. In California, registrations for 1932 were off only about 5 percent, indicating that cars of ancient vintage are kept on the streets. This means that the source of income for automobile fire and theft insurance is automatically decreasing each year.

Some of the largest automobile manufacturers have, he pointed out, through agencies of their own creation and under their own control, deprived the local agent and broker of any participation in new car business, so far as fire insurance coverage is concerned. Finance institutions are writing their own automobile insurance, permitting the vendee to pay for his protection over a period of months.

Dealers as Agents

Non-association companies, mutuals and reciprocals, he said, continue to appoint dealers as agents, while association members are prohibited from making such appointments. This is a serious problem, since finance companies and dealers are in absolute control of the time sales business. If the finance business demands special treatment as to rates, forms and commissions, the companies should put themselves in a position where they feel free to go after it, he said.

Liability under dealers' open policies should be checked at stated intervals and the values of second-hand cars should be checked, he said. The dealer today, he pointed out, generally runs a repair shop, sells gasoline, oil and other supplies in addition to his sales agency. A tremendous liability is piling up under one roof.

The advantages of the actual value policy were emphasized by Mr. Barr. It permits easier loss adjustment, eliminating the misunderstanding that comes when a loss must be settled for less than the amount specified in the policy. In the actual value policy, a prior valuation is not placed on the car. Moral hazard is reduced because it is impossible for a car to be insured for more than its value. The agent and broker must be sold on this form.

Non-Bureau Group Elects

SEATTLE, Feb. 8.—At the beginning of its second year of operation the Northwest Automobile Insurance Conference (non-bureau companies) elected Rush S. Drake, underwriting manager United Pacific Casualty, as chairman. The non-bureau companies will no longer write the special low-limit public liability policy of \$2,500/\$5,000, which was put in effect several months ago to attract "price" buyers.

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Earning a Profit Difficult Today

(CONTINUED FROM PAGE 5)

"Underwrite the gross and the net will take care of itself." The belief is fallacious that a poor classification can be made profitable by passing off to the reinsurer an undue proportion of sub-standard business, he said. On good classes it is a mistake to establish a net line far beyond the normal average line that can be secured, he declared, because a single loss will distort the result. Reinsurance is not intended as a slop bucket, he declared.

Remarks of K. W. Withers

Because of over insurance and reduction in values, adjustments have been extremely difficult and have required more time and effort, K. W. Withers, manager of the Pacific Coast branch of the Fire Companies Adjustment Bureau, asserted. Consequently, there have been savings in paid losses and major savings in specific cases, which are partly attributable to an increased willingness of the companies to spend money for investigations and adjustments. Appraisals and litigation, he said, have been generally successful and in some quarters have resulted in a wholesome respect for the companies. Adjustment costs were increased in dollars because of the difficulties and on a percentage basis by reason of the lower average loss as a result of reduced values.

The greatest waste in the disposition of the insurance dollar may come in payment of losses, he said.

Figures are now available showing that savings in loss as the result of exceptional effort and some expense give a return far in excess of such cost and effort, he said. In 1932, the adjustment salvage on fire losses handled by the bureau, representing the difference between excessive amounts claimed by assureds and settlements made, amounted to \$1,523,080.

Public adjusters, he said, subsist largely upon the antagonism of public opinion established and kept alive in the past by loose and incompetent adjustments. Companies should work together in eliminating the public adjuster as much as possible, he said.

Harris Discusses Aviation

The agent who is acquainted with the automobile policy and with a slight knowledge of marine will have no difficulty with an aviation insurance policy form, according to A. C. Harris, Pacific Coast manager for the Aero Insurance Underwriters. The aviation form, he declared, is a floater, covering the plane and engine wherever they may be within the territorial limits specified in the policy. It is 100 percent coinsurance clause contract and the amount of insurance to be carried is the price of the plane when purchased and insured as new or the market value of the plane if insured at a later period. All statements in the application become warranties.

Fire is insured in four different ways, he pointed out. There is fire on the ground, excluding coverage while the engine is running; fire on the ground, including the running of engine; fire under all circumstances but excluding fire following crash; fire under all circumstances, including fire following crash. Land damage coverage, he said, is collision insurance while the plane is on the ground. Theft is similar to the same coverage as under an auto policy. He described the manner of writing windstorm. Liability coverages, he said, are termed flying coverages. He described facilities for writing cargo insurance, legal liability for cargo, moorings for seaplanes or flying boats and special policies which may be designed for manufacturers, distributors or dealers. There is an opportunity for business in connection with municipal airports and he pointed

out the necessity for air meet public liability and property damage as well as personal accident.

The various groups writing aviation coverage have tried to overcome the evil of flat cancellation for nonpayment, not taken policies, etc., by demanding that this line be written on a cash basis. The aviation industry has become educated to this method.

Mr. Harris listed the types of risks available for solicitation, including large commercial or airmail operators, commercial operators, owner of one or more planes who gives instructions and some privately owned planes. About 20 percent of the planes operating in the United States are located on the Pacific Coast, he declared.

The necessity for consideration of moral hazard in inland marine and all risk insurance was emphasized by C. W. Jones, manager of the marine department of Cravens, Dargan & Co. An all risk floater, he pointed out, is primarily an honor policy and it is possible for questionable claims to arise. Carelessness and forgetfulness on the part of the assured should be looked out for. Mr. Jones said there have been much greater strides made in inland marine during the last eight years than in premium income on automobiles. He said the agent should not be confused by the terms, all risk, marine or inland marine, but should leave the detail of deciding to which category the risk belongs to the underwriter.

Goodwin Reviews Problems of Day

(CONTINUED FROM PAGE 5)

Branch offices always have been a serious problem for organized agents, but recently have been especially so, menacing the entire agency system, he said. Organized agents have no thought of attempting to crucify any company because it conducts a production branch office; they know the system cannot be eliminated over night. They merely propose to give all companies opportunity to declare themselves, when agents will declare their allegiance to companies which now do not operate such offices. The procedure will be orderly. No company thereafter, he said, will be in position to declare loyalty to the agency system and conduct production branch offices detrimental to that system. There will be no further compromise.

Mr. Goodwin characterized as a dangerous trend the tendency of religious and social institutions to concentrate their insurance lines through blanket policies, mutuals or other mediums. He cited the Church Properties Insurance Corporation, Catholic Mutual Relief Society, Salvation Army and New York City division of the Y. M. C. A.

Urge Consistent Separation

He said agents have learned the hard lesson that separation in agencies is greatly to be desired but company separation is entirely different. He believes in separation all down the line; companies should enforce separation or leave agents free to represent what companies they will. The doctrine of separation also should be applied to casualty and surety companies. This joint control would greatly help to put insurance on an orderly basis.

He expressed doubt that the agents' proposal for automatic cancellation of policies for non-payment of premium or the company's plan to have premiums collected considered as trust funds would be adopted. Yet agents should consider premiums collected less commissions due to be a sacred trust. The way out, he believes, does not lie through premium financing, either by independent companies or a proposed bureau to be operated by insurance companies, but rather, by tightening up credit by individual companies, not bound by any mandatory ruling.

Mr. Goodwin expressed confidence

that ultimately the Insurance Executives Association could be made the most constructive force in fire insurance, and if the membership as a whole operated within the confines of its avowed purposes, he said, many inherent evils in insurance might be expected to be eliminated speedily.

He said, however, some agents are "doubting Thomases" on the question of company reform when they note that some leading companies in the I. E. A. are the chief proponents of the Interstate Underwriters Board which operates to the detriment of the agency system; some are chief offenders in inland marine operations, and some continuously grant reinsurance facilities to non-organization and mutual companies. He said he has more respect for the company which refuses to be bound by pledges than the one which breaks its promises.

He said no national company organization can or should succeed in universally controlling fire insurance so long as it permits practices to continue which are harmful to the business or agency system at large. He looks forward to the day when the I. E. A. will become the dominant figure in fire insurance and will assume jurisdiction over casualty and surety.

Competitive Features Must Be Eliminated, Says Brown

(CONTINUED FROM PAGE 4)

of obtaining, at an additional cost, business in given cities."

Referring to the reduction of rates, he pointed out that between 1925 and 1929, when the cost of practically every commodity was tremendously increased, one of the chief arguments of fire insurance companies against governmental interference was the fact that fire insurance rates had not been increased, but, on the other hand, had been considerably lowered in the ten years before that time. "It was," he said, "a good argument for its purpose but it seems to be becoming more and more apparent that by reason of the changes in methods and the schedules which have been rather forced upon us during the past ten years, the rates have now gotten to such a point that a reasonable rate of profit cannot be anticipated."

Attacks Pool Operations

The formation of pools for writing various classes of business has, he said, most unfortunately brought about a condition of affairs which was not anticipated, and that is "a belief on the part of many brokers and agents that the rate is no longer a consideration on the part of the companies, and that business can and will be written at any figure necessary to obtain it, irrespective of the hazards involved. Can there be a better example of this than that in many of our larger cities nation-wide brokers have established branch offices, and many of our agents are advertising themselves not as agents but as brokers and, with all due respect to them, the interests of brokers must lie more with their clients than with the companies."

On the matter of rate reduction, he further pointed out that in 1915 the average rate for California was 1.44, prevailing with very slight reduction until the end of 1922, but, he said, "since that time the ratio of reduction has been rather alarming." In 1926 the average rate was 1.13 while in 1931 it had been reduced to .97. In 1924 the liability assumed was \$3,530,000,000 and the average rate was 1.14; in 1931 the liability assumed was \$3,510,000,000 and the average rate had been reduced to 97 cents. "In other words, since 1915 the reduction in average rate has been over 33% percent and the reduction from 1924 on the same amount of liability has been 13 percent." He characterized the establishment of a flat rate for dwellings in San Francisco as "one of the most unnecessary, almost ridiculous" actions that could have been taken. "Such rate treatment is a departure from every

Other Insurance Permit Causes Some Confusion

Confusion has developed in the field in connection with the "other insurance" permit, which abrogates the old permit in the policy form for other insurance.

One source of confusion seems to arise because of the fact that some agents and field men have the idea that the other insurance permit has some resemblance to coinsurance. That is, some agents think that in filling out the permit, only the amount of insurance actually carried may be entered under the various items.

The other insurance permit provides that the total amount of insurance permitted, including this policy, shall in no case be in excess of the following stipulated amount, anything in the policy or policy form to the contrary notwithstanding. Therefore, if the agents fill in the permit with an amount in excess of the insurance actually carried, or intended to be carried, there is no penalty. However, if an amount is entered far in excess of the value of the property, giving much too large a margin, in the event of loss, the adjuster is likely to become suspicious.

Agents are advised to fill in the item that is being covered and leave the other items blank. The items not covered should not be filled in "nil" or "nothing" as the agent is thereby prohibiting the assured from carrying other insurance on those items. The proper course for the agent is to ask the insured what is the maximum amount of insurance carried or intended to be carried under each item. It is important that each agent—if the assured is dealing with more than one agent—put the same figure in each item. If this is not done, the insurance becomes non-concurrent and conflicting.

Seattle Marine Board Elects

SEATTLE, Feb. 8.—J. F. Snapp, marine manager for LaBow, Haynes & Snapp, was elected president of the Board of Marine Underwriters of Seattle at the annual meeting. V. A. Newman, Jr., North America, is vice-president, and E. H. Hutchinson, Yang-tsze, reelected secretary-treasurer.

New Ruling Is Relief

The bureau of internal revenue has agreed to permit insurance companies to report amounts over \$1,000 paid employees on the same basis this year as last. Under a memorandum that was previously issued by the counsel of the bureau requiring information as to commissions paid agents, it would have been necessary for companies to check over thousands of accounts and pick out the items which the bureau required to be reported.

known treatment of any rating schedule or common sense rating method."

In inverse ratio, he pointed out, the acquisition costs have increased and as a result of the most recent change in rates of commission the ratio of commission on an average agency business has been increased from approximately 18 percent to 22 percent or an increase by rate of over 20 percent. "In addition, companies have deemed it necessary to materially increase the number of special agents, engineers and specialists and to furnish service departments and facilities for reducing the work of the producer, until it can safely be said that the average expense ratio, including commission, has increased about 10 percent in the past ten years. Had the average of rates existing ten years ago been continued, this increase in expense would have been warranted, but how can we safely reconcile a 10 percent increase in cost with an equal reduction in the price of our commodity, and then expect a margin of profit?"

Standard Surety & Casualty Company of New York

Financial Statement December 31, 1932

ASSETS	LIABILITIES
Cash in Office and Banks.....	\$2,052,665.74
United States Government	
Bonds	574,460.40
Municipal Bonds	710,409.75
Railroad Bonds	142,663.40
Public Utility Bonds.....	170,565.20
Miscellaneous Bonds	49,312.67
Preferred Stocks	435,280.00
Common Stocks	638,619.50
Premiums in Course of Collection (Not over 90 days)...	300,379.03
Accrued Interest	12,853.56
Other Assets	9,365.16
Total Admitted Assets (New York Insurance Department Valuation Basis)	\$5,096,574.41
	Reserve for Claims and Claim Expenses
	\$ 635,458.80
	Reserve for Unearned Premiums
	752,865.92
	Reserve for Commissions.....
	68,158.30
	Reserve for Other Liabilities..
	35,850.00
	Contingent Reserve
	716,204.68
	Total Liabilities Except Capital
	2,208,537.70
	Capital
	\$1,500,000.00
	Net Surplus
	1,388,036.71
	Surplus to Policyholders.....
	2,888,036.71
	Total
	\$5,096,574.41

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The National Underwriter

February 9, 1933

CASUALTY AND SURETY SECTION

Page Twenty-seven

Confusion Under the Illinois Rules

Occupational Disease Problem in Compensation Insurance Puts Underwriters at Sea

RATES, COVER IN DOUBT

Fear That Companies May Abandon Line to States Comes Out at Field Meeting

Companies and agents are at sea in regard to the occupational disease hazard under compensation policies in Illinois, according to discussion at the meeting this week of the Casualty Field Club in Chicago. There seems to be no uniformity of practice. There are about 700 classifications in the manual. A specific rate addition for occupational disease has been promulgated on 121. On 40 of the 121 the additional rate is compulsory, because they come under the compensation act. The other 81 are optional and the additional rate need not be collected unless the assured wants the protection.

No Uniformity of Practice

The confusion grows out of the Belleville case. In that case the employee got a verdict against his employer for disability from silicosis. Although the employer had to pay, the appellate court held that the compensation policy did not cover the loss, inasmuch as silicosis was not one of the compensable diseases, and not being an accident, it did not come under the employers' liability feature of the policy.

Some companies do not want the occupational disease hazard even with the additional premium. Some want an endorsement either way, explicitly showing that the occupational disease hazard is covered or that it is not covered. Some prefer to say nothing. Some agents want to say nothing to their customers so as not to raise the question of price. Others want the company to assume explicitly the occupational disease hazard for the 1 cent loading. It is said that one of the big offices in the Insurance Exchange building is picking up compensation risks right and left by pointing out the alleged negligence of the agents now on the line. An agent may be in doubt about his own risks, but on competitors' risks he is ready to criticize.

Disagree on Coverage

Peter Malah, manager of the Chicago office of the bureau, explained the Illinois rates. He brought out that there are eight compensation laws that make occupational diseases of all kinds compensable. These are California, Connecticut, District of Columbia, Maryland, Massachusetts, Wisconsin, Hawaii, and the United States longshoremen's act. There are four states where specific diseases are compensable, Illinois,

Constructive Selling Plans Great Need Today; Schofield

Constructive, selective, energetic and intelligent selling is the great requirement of the moment, according to E. J. Schofield, vice-president of the Globe Indemnity, who addressed the sales congress of the Insurance Club of Pittsburgh.

Much insurance has been bought and not sold, he said. For instance, mortgagees demand that fire insurance be carried by the property owner and the banker demands insurance when loans are made. Compensation insurance is bought because the law requires it. An automobile liability policy may be bought because of financial responsibility or compulsory laws. Much fidelity and surety business is required by law and legal duress. Contract bonds are public projects and fall in the same category as do official bonds and judicial bonds.

Must Really Sell

Much of this type of business has disappeared in the depression and insurance is faced with the old-fashioned necessity of really selling something, Mr. Schofield said. Modernized plans and ideas are vital. He advocated, for instance, direct by mail advertising as a means of getting attention to the agent and to his goods and to arouse some interest on the part of the buyer. After attention and interest have been obtained, the agent must appear personally and actually make the sale. The personalized letter is the best form of direct by mail advertising, he said. Residence burglary and hold-up, all risk

coverage on furs and jewelry are two of the best lines to promote by direct by mail methods.

Despite conditions, there is still a broad market for insurance, Mr. Schofield said. Practically every person now working and in possession of some money is a prospect for some form of insurance. The agent must go to the market. It may be necessary to get back to ringing doorbells or turning knobs, he said. Avenues of business not heretofore explored must be entered. There must be self-management on the part of the agent. The task of soliciting a certain number of new prospects every day should be set and the task should be performed.

Selling Process Analyzed

The selling process, according to Mr. Schofield, consists in getting the prospect's attention, procuring his interest, telling him the details of the product and closing. In describing the product, the utility of the forms of insurance so far as he is personally concerned should be brought out. What the product will do for him should be cited. A plate of glass for a door rather than plate glass insurance should be sold. An estate rather than life insurance; legal services of high priced lawyers rather than liability insurance; use of a company's capital and surplus when needed; a receipted doctor's bill instead of accident insurance; expert surgical services and cash to pay the grocer and butcher.

In closing the sale, Mr. Schofield warned against talking too much.

Minnesota, New Jersey, and New York.

In the discussions it was contended that the 1 cent loading on all compensation risks covers the occupational disease hazard on all classifications for which no specific additional rate has been promulgated. On the other side it was contended that the 1 cent charge covers merely the service under the policy, including the defense of occupational disease claims, but not the payment of occupational disease losses. Where the occupational disease hazard is assumed by endorsement it is subject to \$5,000 limits on one individual and \$25,000 limits under the policy during the year. Some companies, however, make the limits \$5,000-\$10,000.

See End of Compensation

There seems to be a strong belief by some members that compensation insurance will not be written by the companies very long. The way coverages are being extended by law and by interpretation the premiums will soon be beyond the capacity of employers to pay and recourse will be had to state funds, as part or as a beginning of a general unemployment scheme. Instances were cited of the astonishing way in which coverage is being extended. For instance, paralysis of a chauffeur, allegedly due to fright from his brakes being found out of order in an emergency, was held compensable as an accident. Probably the most amazing case that can be cited was that of an employee who

bumped his knee, but so slightly that he did not report the accident. However, according to the claim, the bruise was painful, and he lost sleep, appetite and weight. While thus debilitated he took his family for a ride in his automobile on a cold day. The next day he came down with pneumonia and died of that disease. The death was held compensable under the accident phase of the compensation law.

White Sulphur Springs Casualty Meeting Date

Secretary F. Robertson Jones of the International Association of Casualty & Surety Underwriters, has issued a supplemental bulletin calling attention to amended dates for the annual meeting of his organization and the National Association of Casualty & Surety Underwriters. The correct date is Sept. 26-28 at White Sulphur Springs, Va. It was first thought that the general agents' organization would meet in Chicago. However, the International association was not willing to meet there and hence it was decided not to break the contract.

Jersey City Auto Rates Increased

National Bureau Announces 15

Percent Boost in Liability Schedule

SCHOOL BUS RATE LOWER

Action Seen as First Move in Policy to Advance Tariffs in Poor Loss Areas

NEW YORK, Feb. 8.—Private passenger automobile liability rates for Jersey City, N. J., and vicinity have been increased 15 percent, effective Feb. 6, by the National Bureau of Casualty & Surety Underwriters. The bureau has also announced a reduction in school bus rates for the entire country, a satisfactory loss experience justifying the move.

The Jersey City increase, the bureau reports, is not to offset past underwriting losses but to guard against their continuance. Unless there is an immediate, substantial improvement in loss experience in this territory, "further increases in rates in the near future will probably be necessary." There is no change in rates on commercial cars and for property damage coverage.

Claim Frequency Jumps

Bureau companies have lost heavily in recent years in the Jersey City territory. The average loss ratio on \$5,000/\$10,000 contracts was 103 percent in 1930 and 122 percent in 1931, the permissible ratio being 61.5 percent. This figure includes the expense of claim settlements; the balance of the premium being required to pay agents' commissions, field supervision, taxes and home office expenses.

The average loss cost for each private passenger car in the Jersey City area in 1930 was \$51.34, in 1931 \$66.38. Claim frequency in the territory in 1927 was 9.6 percent, in 1930 it increased to 14.2 percent and in 1931 jumped to 21.5 percent.

While there has been no announcement by the bureau, the general impression in casualty insurance circles is that there will be no general advance in present automobile liability rates for the country as a whole this year, revisions being made only in states or sections where existing tariffs have proven wholly inadequate.

Loath to Increase Rates

Company officials are loath to increase rates and do so only as a last resort, appreciating that any change seriously disturbs the agency force as well as assureds. In the final analysis, rates for automobile coverage as those for every other form of indemnity, are made by policyholders, the companies merely tabulating the loss experience and predating insurance charges thereon. Obviously then, control of the loss element

(CONTINUED ON PAGE 34)

Accident & Health Policy Necessary Item of Service

HIGHLY PROFITABLE FIELD

Manager Mountrey of Standard Surety & Casualty in Address at Pittsburgh Sales Congress

No matter how well an agent may have protected his clients under other forms of insurance, if he has not included an accident and health contract, he has failed them, A. J. Mountrey, manager accident and health department Standard Surety & Casualty of New York, declared in his address at the sales congress in Pittsburgh this week. Some day a client and his family might have to pay a very heavy price for this neglect. Mr. Mountrey questions whether there is justification for this unwise thoughtlessness.

He said accident and health insurance is not complex nor difficult to understand or sell. It is as simple as the agent wishes to make it.

He said the term "reserves" has come to be associated largely with business institutions, but today accident and health insurance is the protective reserve fund against the unforeseen disasters of life, a fund that will never shrink, that will guarantee to the policyholders when the time for its use arrives that it will be there to protect them.

Highly Remunerative Line

This is a highly profitable field for agents. Mr. Mountrey showed on the basis of figures for 1931 taken from the Argus chart that the accident and health premiums written by stock companies totaled \$175,079,394. He calculated on an average commission of 30 percent that \$52,529,218 was paid to a "handful of men and women who have been sufficiently foresighted to sell this coverage." He said the surface hardly has been scratched.

Contrary to the impression of many people that this business does not renew as readily as other lines, he said it almost takes care of itself. He knows many policies in force that were written as far back as 25 years ago. Another popular objection to writing accident and health on the part of the average agent is his old "claim complex." Mr. Mountrey said the statement that accident and health companies do not pay their claims, in addition to being harmful, is preposterous.

In these days of insurance departments' supervision any company executive who would condone the rejection of a just claim would be foolish, Mr. Mountrey said. The fact is that according to official records the companies not only are paying their claims, but promptly and liberally. He said the growth of the accident and health business depends upon the maintenance of public confidence.

As with other types of coverage, success in selling accident and health depends upon formulating a working plan and adhering to it.

A. M. Holtzman, director of field service for the accident and health department of the Continental Casualty, speaking on "The Accident and Health Sale," urged the importance of emphasizing the idea of income protection and said that the accidental death indemnity and all the other features of an accident and health policy are really "frills" in comparison with the income idea.

He pointed out that income protection is the basic form of all insurance and that the paying of premiums for any form of insurance is entirely dependent on the client's ability to earn. He showed the value of accident and health solicitation as an opener either for other casualty lines or for life insurance and gave demonstrations of two or three sales presentations that have been used with especial success.

State Depository Fund to Ask R. F. C. for \$4,000,000

MADISON, WIS., Feb. 8.—A bill to permit incorporation of the Wisconsin state board of deposits, which has charge of the state depository bond fund, has passed both houses of the legislature. By incorporating the board, it will be permitted to borrow money from the Reconstruction Finance Corporation to pay back governmental units that had deposits in closed banks which had been insured by the state fund. It is expected that an effort will be made to borrow about \$4,000,000 for that purpose.

Sommers Presents Cardinal A. & H. Underwriting Points

The cardinal points in accident and health underwriting were brought out by Armand Sommer, assistant vice-president Continental Casualty, this week at the lecture course being conducted in Chicago by his company. He analyzed the commercial accident policy, pointing out the three main features: Specific indemnity, income provision and extra features. Salesmen, he said, should emphasize the income protection feature and not overuse the double indemnity clause.

The aim of every company is to assume the average risk, said Mr. Sommer. There are four main underwriting hazards: Financial, physical, occupational and moral. Poor underwriting experience may be safeguarded against by the selection of the right type of agent, through the information on the application, by the inter-change of information between companies and by inspections of credit reporting services.

The chief hazard a company faces, said Mr. Sommer, is self selection. A man who seeks insurance because he knows he is subject to a particular condition is obviously a poor risk. Although the questions in the application about habits seem simple and childish, they serve a practical purpose by giving the company a chance to defend itself if the insured is injured due to in temperate action.

In case of a claim after an insured has changed to a more hazardous occupation without notifying the company, the policy benefits are pro-rated, Mr. Sommer pointed out. Thus if an accountant loses his job and is forced to take up taxicab driving and is injured he gets the amount of benefits his original premium would provide a taxicab driver.

The Monarch Investment Company, former general agent in Wichita, Kan., for the Union Indemnity, has taken on the Massachusetts Bonding and rewritten all outstanding policies in that company.

Study Accident and Health Data

NEW YORK, Feb. 8.—Students of personal accident and health insurance will be much interested in the supplemental report of the statistical committee of the Bureau of Personal Accident & Health Underwriters. It has analyzed, from an entirely new angle, the data contained in the combined health experience-commercial policies, for policy years 1921 to 1926. The experience represents 494,222 years of exposure from which 116,618 cases of sickness developed, amounting to 2,462,613 days of disability. Six tables show: 1. Number of cases of sickness and number of days disability by diseases by age period. 2. Number of cases of sickness and percent of total number of cases of sickness by disease groups by age period. 3. Number of days disability

President Jackson Speaks Plainly About Commissions

GRADED SCALE SUPPORTED

Bankers Indemnity Head Says Self-Interest Should Make Agents Back the Plan

NEW YORK, Feb. 8.—H. P. Jackson, president of the Bankers Indemnity, a close and able student of casualty underwriting problems, is fearless in expressing his convictions. In a recent address to casualty agents in Newark, after reciting the plight in which workmen's compensation brought the companies, he stressed the extreme difficulty experienced by carriers in getting adequate rate schedules approved in the different states.

As one means for bettering the situation, he strongly supports the graded-commission program, which was rejected by the agency body and held discriminatory by the Michigan authorities. In his opinion the ruling of the attorney general should not have been accepted as final, but instead the issue should have been clearly fought out in the courts.

Mr. Jackson held it inconceivable that clear thinking agents would not support the graded program, if from no other standpoint than self-interest. The acquisition cost committee has considered the question, but without definite result, holding the cost of business-getting to be so involved with other factors of the companies' operations that it could not be considered alone.

Standard Surety's Dallas Office

The Dallas branch of the Standard Surety & Casualty of New York has moved to the Kirby building owing to the addition of the engineering, inspection and claim departments. C. G. Hyssaw, for many years connected with the adjustment end of the casualty business in Texas, takes charge of the claim department. William Long, who has been identified for a number of years with engineering and inspection work, takes charge of the engineering and inspection department. Donald Kyler is manager of the Dallas branch.

Delaney Elected President

R. Delaney, who has been acting president of the Contractors Casualty of St. Louis since the death of D. Seeger a few weeks ago, has now been elected president. Mr. Delany formerly was vice-president. M. I. Fleischer was elected first vice-president; F. J. Daues, secretary, and Arthur Ball, treasurer. Henry Lange and E. O. Fattman were added to the board of directors.

E. F. Pierson & Co., Kansas City, Mo., have become general agents for the Fireman's Fund Indemnity.

Machine Age Brings Demand for Power Plant Insurance

NOT COMPLETELY DEVELOPED

Chief Engineer Royer of Ocean Accident in Talk on Opportunities at Pittsburgh Congress

The so-called "machine age" has been accompanied by a definite demand for power plant insurance, a demand slightly arrested under present conditions but one fundamental as the use of power, D. L. Royer, chief engineer Ocean Accident, stated in his talk on "Selling Power Plant Insurance in 1933" at the Pittsburgh sales congress.

Mr. Royer said review of 1932 boiler insurance figures shows premiums were 92 percent of 1931 premiums and 68 percent of the highest premium volume ever written in this line—in 1929. The 1932 business was comparable with that written in 1922. The machinery volume written in 1932 was only 42 percent of that written in 1931, which was the largest year in that line, and machinery premiums in 1932 were lower than in any year since 1921. The loss in power plant insurance premiums is due largely to the slower pace of industry and the complete shutting down of many plants, idle periods of considerable length in others or curtailed operation.

Present Trend an Opportunity

The trend today is not to use less machinery, he said, but rather to decentralize power because of competitive conditions. Diesel engines are now competing with central stations and will continue so as long as fuel oil prices remain low. Some rehabilitated isolated plants are competing with central stations because of lower cost of coal. Mr. Royer believes these conditions developing day by day may produce potential power plant insurance that will equal or exceed peaks of the last few years. He believes the market in this line never has been completely developed.

While it is true most power boilers are insured, there is a great deal of uninsured steam and pressure piping, pressure vessels and auxiliary equipment. Although heating plants have a worse record for failure than power plants, there are more low pressure heating boilers without coverage than are insured, and there are also many turbines, engines, wheels and electrical machines not protected by insurance.

Mr. Royer said in regard to prospects, three lists may well be kept: The first including prospects whose equipment is known and where the agent has an entrée and has expirations; the second, the prospect where the agent has an entrée but does not have expiration dates or knowledge of the equipment, and third, prospects who must be cultivated or worked cold. Direct mail has value with such a group, he said.

Named Indiana General Agent

The General Underwriters, Inc., Indianapolis, has been appointed general agent for Indiana of the Associated Indemnity and Associated Fire & Marine of San Francisco by Vice-president Taheny, who was in Indianapolis last week. The General Underwriters, incorporated three years ago as agency manager of the Indiana Travelers Assurance of Indianapolis, will continue to represent that company, which writes accident and health insurance only.

J. A. Cox is president and agency manager. D. G. Trone is secretary-treasurer. Both have had many years' insurance experience. J. H. Woodruff is agency manager for southern Indiana and M. F. Jones for the northern part of the state. Offices are in the Meyer-Kiser Bank building, Indianapolis.

Urge Stricter Precautions Against Company Failures

VAN SCHAICK MAKES APPEAL

Movement to Require Greater Deposits From Companies Spreads—Oklahoma Senate Passes Bill

ALBANY, N. Y., Feb. 8.—Greater precautions against compensation company failures were advocated by Superintendent Van Schaick of New York in his annual report. "Swift and prevalent changes in economic conditions or unusual losses," he said, "may change the condition of a company from one of safety to one of insolvency before the knowledge thereof can be had by supervisory officials or even by directors of the companies themselves."

"If there is any one type of insurance which should be paid at all events it is that which gives to the injured worker a substitute for earning capacity which an accident of industry has taken from him. An insurance failure in the compensation field is a human catastrophe greater than any other aftermath of the industrial depression."

Sweeping Reform in Order

"It is the firm conviction of the present superintendent of insurance that a sweeping reform is in order and necessary to tighten up on the safety of compensation insurance. If this be done it is unquestionably true that this will entail an additional cost on industry. The industrial leaders of the state protest that compensation rates are already as high as industry can stand. The fact remains that the state of New York can have as safe compensation insurance as it is willing to financially support."

Superintendent Van Schaick recommended that the law requiring out of state companies to file a bond of 25 percent of the outstanding reserve for compensation losses on New York risks be amended to require two authorized sureties instead of one, as an additional safeguard. He also questioned the adequacy of a 25 percent bond, and although the cost of the original protection must be considered, especially in the light of retaliatory action by other states, safety of compensation insurance is a prime requisite.

REQUIRES COMPANY DEPOSITS

OKLAHOMA CITY, Feb. 8.—The senate has passed a bill to require all casualty and surety companies entering the state or doing business in it to deposit \$100,000 as security for domestic policyholders' unearned premiums. The text of the law has not been published but presumably it is also designed to provide a fund also available for the payment of losses of defunct companies and those which withdraw from the state. Oklahoma agents have been urged by their companies to oppose the bill, and the state and local associations have already gone into action. The recent Union Indemnity debacle is generally supposed to be the motivating cause.

REISERT ADVOCATES LAW

LOUISVILLE, Feb. 8.—A law to require all companies licensed in Kentucky to deposit funds equal to their unearned premiums was advocated by President W. A. Reisert of the Casualty & Surety Association of Louisville at its February meeting. Mr. Reisert is head of the Louisville agency bearing his name and is Kentucky's national councillor to the National Association of Insurance Agents. The fund, which would be required of all types of companies, would be under the control of the insurance department and would protect the agent and assured in event of a company's failure.

Mr. Reisert was a Union Indemnity agent and it cost him a good deal to

Veteran Dead



DAVID N. CASE

Insurance men regretted to learn of the death of David N. Case, chief adjuster of the life and accident division of the Travelers, who died suddenly last Saturday at his home in Hartford. He took a prominent part in the activities of the International Claim Association and in 1917 was its president. He was a frequent contributor to the literature of the business and made a number of addresses. He had been connected with the Travelers for nearly 45 years. He was born in 1872 at Unionville, Conn. He had been in his present position since 1907.

Virginia Hearing Is Held

Committee of Manufacturers Urge Rate Increase to Enable Carriers to Make Profit

RICHMOND, VA., Feb. 8.—Another hearing on the proposal of companies writing workmen's compensation in Virginia to advance rates 7.2 percent was held before the state corporation commission. A special committee of the Virginia Manufacturers association, headed by J. R. A. Hobson, vice-president Tredegar Iron Works, Richmond, informed the commission that in its opinion the proposed rate increase is necessary to enable companies to earn a reasonable profit. Mr. Hobson explained that conclusion was reached after thorough study of data furnished by the industrial commission.

If the proposed increase is allowed, it will be the second one within a year, rates having been advanced an average of 18 percent last April. After hearing from the manufacturers' committee, the commission adjourned the hearing until Feb. 14, when representatives of other groups of employers will be heard.

Packwood Kansas City Manager

F. G. Packwood, who for six or seven years has covered western Missouri for the Fidelity & Casualty out of its St. Louis office, has been appointed manager of the Kansas City branch of the Massachusetts Bonding, in charge of western Missouri and Kansas. Vice-president Spencer Welton has been in Kansas City for two or three weeks arranging for the change.

protect his customers. He stated that in the event of a company's failure, Kentucky has no jurisdiction over the funds of the company elsewhere. Under his plan the company would have no claim on the amount deposited with the state department until the premium was earned.

Union Indemnity Receivers Made Target of Two Suits

CREDITORS CLAIM PREJUDICE

Ask Removal of Levy and Beckner—International Reinsurance Calls for Accounting

There were two major developments in the Union Indemnity receivership this week. Removal of S. Sanford Levy and W. C. Beckner as co-receivers was asked in a civil suit in New Orleans by 11 creditors who charged that their interests were prejudiced in favor of privileged creditors. The International Reinsurance filed a bill of complaint in federal district court there against the Union Indemnity, asking for an order that the co-receivers appear in court and render account of assets in their possession and control. The International claims 85 percent interest in these assets.

The 11 creditors are non-residents of Louisiana and are headed by C. N. Randall of Los Angeles. Their petition claims the receivers are unqualified to act, as Mr. Levy formerly was vice-president of the Union Indemnity and Mr. Beckner is a member of the board of the Reconstruction Finance Corporation, the carrier's largest creditor. An alternative suggested is that a third receiver be appointed to guard the interests of foreign creditors. The court signed a rule to show cause.

The petition charges that since the receivership, Messrs. Levy and Beckner have permitted New Orleans banks doing business with the Union Indemnity to accumulate funds to apply against indebtedness owed them by the company, this constituting discrimination; that at the same time more than 200 holders of drafts and checks totalling more than \$1,000,000 were not paid. It was claimed choicest stocks and other holdings of the Union Indemnity were pledged to secure a loan of \$1,400,000 and all that remained for other creditors was a "hollow shell." The claims of the 11 persons behind the action aggregate approximately \$40,000.

The International Reinsurance bill alleges that the plaintiffs believe the Union Indemnity, when the receivers were appointed, had more than \$1,000,000 assets and collateral, and that requests for accounting were refused. The bill referred to a purported contract between the International and the Union

Tax on Reinsurance Upheld by Attorney General's Rule

ILLINOIS LAW IS CLARIFIED

Opinion Is Given in Relation to Contention by the National Casualty

A premium tax should be collected in Illinois on reinsurance premiums paid in the state by a Michigan casualty company under the retaliatory provisions of the Illinois law even though the reinsurance company is not permitted a deduction for reinsurance premiums received, according to a recent opinion of Attorney General Kerner.

The Illinois statute, it was explained, permits a deduction for reinsurance premiums paid to authorized companies, while the Michigan law provides for a deduction of reinsurance premiums received when the tax has been paid on the original premium.

Contentions of Companies

The National Casualty of Detroit had reinsured some of its Illinois business with the Continental Casualty, an Indiana corporation admitted in Illinois. The companies contended that since the Continental casualty had paid a tax in Illinois on all reinsurance premiums received from the National Casualty, double taxation would result unless credit is allowed the National Casualty for reinsurance paid the Continental Casualty.

Citing the case of Union Central Life vs. Lowe, 349 Ill. 464, Mr. Kerner said the assessments against the two companies were not made for the same purpose even though the same amounts were considered in both assessments. For this reason he held there was no double taxation.

Indemnity and New York Indemnity, an affiliate of the New Orleans company, under the terms of which, the petition alleged, the International guaranteed losses up to \$340,000, being entitled to 85 percent of salvage (or assets and collateral) in event of liquidation.

INDIANA ANCILLARY RECEIVER

E. L. Walsh of Indianapolis has been appointed ancillary receiver for the Union Indemnity to safeguard interests of claimants in Indiana.

Burglary Cover Arguments

It is probably more difficult to sell burglary insurance than fire insurance, although the argument for the coverage is stronger because there are approximately six burglary losses to one fire, F. S. Garrison, secretary of the Travelers, stated in his talk, "Selling Burglary Insurance," at the Pittsburgh sales congress.

There were last year in this country over 100,000 losses incurred under various forms of burglary, robbery, theft, merchants' protective and similar policies, excluding losses under fidelity bonds. This number includes over 30,000 losses under residence burglary and theft policies, an increase of 17 percent over 1931, 43 percent over 1930, 70 percent over 1929 and 88 percent over 1928.

The average loss under residence forms was \$152 and under bank robbery policies, \$2,388, he said, and the average loss under all forms combined, \$259, the lowest average in the last five years. With these statistics as arguments, it is yet necessary for the burglary insurance salesman to have an adequate knowledge of his coverage. Mr. Garrison suggested showing the prospect the cost on a daily basis, a \$25 annual premium meaning less than 7 cents a day; or if figured on the three-year basis, less

than 6 cents a day for an average of \$2,000 insurance.

There are prospects everywhere, he said, because if only one-fifth of the 24,000,000 families in this country were acceptable risks for burglary insurance, this would mean at least 3,800,000 available prospects for new insurance, as there are now less than 1,000,000 of them so insured.

There is no more effective way of getting an agency before the public in relation to this coverage than by sales letters and literature emphasizing personal holdup coverage, which is one of the features of the residence burglary policy. Mr. Garrison cited the new worldwide theft coverage on specified articles of jewelry and furs as a desirable form for many assureds, and also the storekeeper's burglary and robbery policy containing seven different features, each for \$250 insurance and sold at rates varying from \$30 to \$50.

Underinsurance is frequently found. The Travelers' records show that during a nine-year period claims on 206 residence burglaries amounted to \$587,825, but losses paid were only \$306,170, so the assured had to stand \$281,655, or 48 percent of the loss. This was largely chargeable to failure of the agent or broker to sell enough insurance, he said.

Decrease in Premiums Noted by Van Schaick in Report

EXPECTS UNDERWRITING LOSS

More Careful Selection of Risks and Decrease in Compensation Busi- ness Affects Income

ALBANY, N. Y., Feb. 8.—A marked reduction in casualty premiums in 1932 is noted by Superintendent Van Schaick of New York in his annual report. Due to the decrease in compensation premiums and a general tightening up of underwriting during the first nine months of 1932, casualty premiums of New York stock companies totaled \$188,831,000, compared with \$225,516,000 for the same period in 1931. Most of the casualty and surety companies will reflect underwriting losses for 1932, according to the superintendent.

Surety companies which, through their guarantees contribute much to the credit stability of concerns they bond, are still faced with adverse experiences, although bank failures involving depositary bonds have materially decreased. No doubt substantial salvage will be re-

covered on many losses heretofore paid by surety companies.

"Company executives are generally emphasizing safe and sound underwriting practices and are stressing the desirability of good risks rather than premium volume. Investments are being carefully scrutinized by the executives and efforts have been and are being exerted to reduce expenses wherever possible."

"There is a tendency on the part of some liability companies," said Mr. Van Schaick, "to resist the payment of small claims of less than \$100 on the assumption that the amount involved is too small to justify the expense of a lawsuit. Unless this situation is remedied by the companies, it will be well for the legislature to consider the advisability of having small claims of this nature handled by a small claims court with a minimum of procedural requirements and at an expense commensurate with the amount involved."

To Wind Up New York Indemnity

On application of Superintendent Van Schaick of New York, Supreme Court Justice Lydon has directed the New York Indemnity to show cause why it should not be taken over for liquidation by the New York department. The petition follows the statement of the super-

intendent that it would be useless to try to rehabilitate the company. The New York Indemnity's business was reinsured in the Union Indemnity in May, 1931, and has not written any new business since.

Linn Made Vice-president

H. P. Linn, former manager of the Chicago branch office of the Home Indemnity and for the past year or more in charge of the bonding department for the Central Surety of Kansas City, has been elected a vice-president. In addition to his duties as manager of the bonding department, Mr. Linn will be active in agency work.

Write \$1,000,000 Colorado Bond

DENVER, Feb. 8.—The \$1,000,000 bond required of State Treasurer Bedford was supplied by 11 surety companies on a co-surety basis. David Jacobs, manager of United States Fidelity & Guaranty, arranged for the band. The U. S. F. & G., Hartford Accident and Aetna Casualty took \$400,000, the balance being distributed among eight other companies, including the National Surety, Fidelity & Deposit, Continental Casualty, Maryland Casualty, Fidelity & Casualty, Great American Indemnity, Royal Indemnity and Standard Accident.

Probe of R. F. C. Loans to Union Indemnity Demanded

Hamilton Fish, Jr., in the house of representatives, has demanded an investigation by the department of justice in connection with Reconstruction Finance Corporation loans to the defunct Union Indemnity group of New Orleans.

Mr. Fish's charges centered about R. S. Hecht, president of the Hibernia Bank & Trust Co., of New Orleans, chairman of the Reconstruction Corporation's advisory board in New Orleans and formerly a director of the Union Indemnity.

Mr. Fish charged that the loans made by the R. F. C. to the Union Indemnity were diverted to the Hibernia Bank to liquidate loans of that bank to the Union. He asserted that the last loan to the Union Indemnity was made Dec. 29, 1932, amounting to \$970,000, and the failure came Jan. 7. He also charged that among the securities given for R. F. C. loans were bonds of the Union Indemnity. Mr. Fish asserted Mr. Hecht was in a position to know if the Union Indemnity was insolvent when the loans were made.

Mr. Hecht is a political ally of Senator Long of Louisiana.

Depression Gives Some Opportunities for Selling

(CONTINUED FROM PAGE 6)

tant, and also the explosion in the Ohio state office building at Columbus.

Banks or loan companies do not usually require the mortgagor to maintain explosion insurance in connection with each mortgage and in but few instances is tornado coverage required. Thus where there is no specific insurance against these hazards there is a gap where the mortgagee's interest may be impaired through explosion or tornado. The cost of mortgage interest protection is extremely low.

The insurance survey or analysis, while not new, has kept step with progressive ideas in the sale of protection and is being used much more extensively than ever before. It performs an important function for the agent and assured. It is true in the case of large risks considerable work is required, yet the agent may make the analysis and report individual, according to his own preferences, but he should make sure that the development is all inclusive and brings out clearly the facts, so as to require a minimum of effort on the part of the prospect or assured to comprehend the presentation.

Accept Herdman's Ruling

LINCOLN, NEB., Feb. 8.—Commissioner Herdman has been advised that the Northwest Casualty will not contest his ruling that the company was guilty of discrimination in selling Omaha postal employees automobile coverage at a lower rate than were charged others who the commissioner held properly belonged to same risk classification. President Bell says that the company still believes that postal employees are preferred risks and may be written for less than the driving public generally, but is disinclined at this time to become involved in expensive litigation.

Raines Succeeds Sears

With the transfer of J. W. Sears to Nashville as branch manager, J. M. Raines, assistant manager, has been advanced to manager of the Travelers at Little Rock, Ark. Mr. Sears went to Little Rock three years ago from Atlanta. Mr. Raines is a native of Little Rock and has served the Travelers there and in Philadelphia. He was made assistant manager in 1932.

C. R. Burger, Boulder, Colo., has purchased the local agency operated many years by Warren C. Dyer.

The London Guarantee Offers Dependability

For sixty-four years the "London GUARANTEE" has fulfilled every obligation to its agents and policyholders—whether for protection or service.

Security

No business crisis, past or present, has affected the strong financial structure of this worldwide institution.

Established in 1869, the "London Guarantee" is one of the oldest and strongest casualty companies in the world.

London Guarantee & Accident Company, Ltd.

J. M. HAINES, U. S. Manager
55 FIFTH AVENUE, NEW YORK, N. Y.

"Adjust Quickly - Pay Promptly"

*In 37 years the U. S. F. & G. has
never wavered from that policy*



WITHIN AN HOUR of the robbery a representative of your Company was on the ground" . . . "I should like to express my appreciation for the promptness with which the loss which we suffered through a bank robbery on September 29 was paid" . . . "We were very much pleased with the prompt settlement you made of our loss covered by your hold-up policy."

These are typical extracts from the hundreds of letters which have come to the U. S. F. & G., expressing thanks for the facility with which adjustments and settlements have been made in times of need.

Since 1896, the U. S. F. & G. has promptly paid out \$290,000,000 in claims and adjustment expenses. Today that record stands as an assurance to agents and brokers that they are insuring the future of their own business when they insure clients with the U. S. F. & G. and the F. & G. Fire.

These Local-Agency-Minded Companies originated the slogan,
"Consult your Agent or Broker as
you would your Doctor or Lawyer."



Unexcelled service on all casualty,
surety, fire, automobile and inland
marine lines through 11,000
Agencies and branch offices in the
United States and Canada.

United States Fidelity & Guaranty Co.

with which is affiliated

. . . Fidelity & Guaranty Fire Corporation . . .

HOME OFFICES: BALTIMORE, MD.

NEWS OF THE COMPANIES

Shows Fine Liquid Condition

Standard Surety & Casualty Presents a Financial Statement Showing Large Amount of Cash

The Standard Surety & Casualty of New York in its annual statement shows assets \$5,096,574, claim reserve \$635,459, premium reserve \$752,866, contingent reserve \$716,205, capital \$1,500,000, net surplus \$1,388,037. The Standard Surety is particularly strong in liquidity. It has cash on hand amounting to \$2,052,666, which alone constitutes 139 percent of all outstanding obligations, current and deferred. It made a 9.58 percent increase in all lines over 1931. The increase over casualty lines was 22 percent and the loss ratio on casualty was 38.18 percent. The net surplus through the contingent reserve set aside, reflects current values as of Dec. 31. In addition to its large amount of cash funds it has \$574,460 United States government bonds, \$710,409 municipal, \$142,663

rail, \$170,565 public utility, \$435,280 preferred stocks and \$638,620 common.

J. D. Cunningham Is Elected Head of Illinois Mutual

J. D. Cunningham was elected chairman of the board of the Illinois Manufacturers Mutual Casualty at the annual meeting. He is president of the Republic Flow Meters Company, past president Illinois Manufacturers Association and chairman of the board of trustees of Armour Institute of Technology. O. Gullicksen, president Churchill Cabinet Company, Chicago, was elected president, succeeding B. S. Pearsall, resigned. Mr. Gullicksen was vice-president for several years and is a director of the Illinois Manufacturers Association. Other officers elected were: First vice-president A. H. Woodward, president International Register Company; second vice-president, J. J. Fisher, president Excelsior Stove & Manufacturing Co., Quincy, Ill.; executive vice-president and secretary, J. L. Donnelly, executive

vice-president Illinois Manufacturers Association; treasurer, G. L. Walters, secretary-treasurer Adams & Westlake Company, Chicago; assistant secretary, W. S. Duncan, and assistant treasurer, R. E. Duncan. Mr. Walters succeeds O. H. Swan. C. T. Noble is manager.

Since the insurance department examination as of Sept. 30 which showed \$423,000 surplus, Mr. Noble said, the surplus has become \$427,135. There was an increase of 26 percent in new business secured in 1932 over 1931. Premium income slumped, due to falling off of payrolls. The loss ratio on all lines written, on a losses incurred-premiums earned basis, was lower last year than the average for any ten-year period in the mutual's history, Mr. Noble said. Disbursements were increased, due to liquidating many old claims. Shrinkage in valuation of securities (the difference between cost and present market price) was only 12 percent, he said. The mutual carries some \$300,000 of U. S. government bonds, the remaining investments, Mr. Noble said, being high grade securities, no real estate bonds or mortgages, or industrial stocks being held.

Add to Federal Surety Assets

Assets of the defunct Federal Surety of Davenport have been increased \$45,-

000 through an order filed in district court there authorizing E. W. Clark, Iowa insurance commissioner and receiver, to make a compromise settlement with the General Reinsurance.

Under the contract the liquidating officer releases the General Reinsurance from all liability as reinsurer of risks of the Federal Surety. The reinsurance company agrees to pay \$45,000 to the assets of the Federal Surety and releases the receivership from further obligation to account for salvage items which the Federal had collected in the past or which the liquidating officer may collect in the future.

Contribution of \$4,000,000 to the F. & C. Is Proposed

A meeting of stockholders of the Fidelity & Casualty has been called for Feb. 11 to act on a proposal to contribute \$4,000,000 to the assets of the company.

The proposal is to increase capital from \$2,200,000 to \$2,250,000, and credit the balance of \$3,950,000 to surplus. Ernest Sturm, chairman of the board, stated that this contribution will place the Fidelity & Casualty in a strong financial condition after setting up full reserves and will leave it with an outstanding capital and strong surplus position.

Century Indemnity Results

The Century Indemnity of the Aetna Fire group reports net premiums written in 1932, \$4,263,395; losses paid, \$3,015,014; commissions and expenses paid, \$2,343,631. The incurred loss ratio was 76.69 percent and the expense ratio, 57.49 percent.

Assets amounted to \$6,306,982; premium reserve, \$1,943,931; loss reserve, \$2,395,218; contingency reserve, \$142,000.

Capital is \$750,000 and net surplus, \$702,340.

Casualty Underwriters Licensed

The Casualty Underwriters of Dallas, of which the attorney in fact is the Underwriters Agency, has been licensed by the Texas department. J. E. Earnest is president of the Underwriters Agency. He has been vice-president of the Commercial Standard of Dallas. J. J. Watson is vice-president and general manager of the Underwriters Agency. He was formerly assistant general manager of the Texas Employers and more recently resident vice-president in Dallas for the American Indemnity and Texas Indemnity of Galveston.

The secretary of the Underwriters Agency is R. A. Kennedy who was for many years connected with the Texas Employers, part of the time as head of their largest office at Houston. Subsequently he was assistant secretary in charge of the agency department of the Georgia Casualty.

The office of the Casualty Underwriters is in the Republic Bank building at Dallas.

Commissioner Upheld in Appeal

LOS ANGELES, Feb. 8.—The second appellate district court of appeals of California has rendered a sweeping decision upholding the action of Commissioner Mitchell in suspending the authority of the Benjamin Franklin Bond & Indemnity to transact business, when it vacated alternative writs in two civil actions and denied a peremptory writ. The court held "that until an ascertained deficiency in assets is paid up, such company shall not do business in this state."

The Benjamin Franklin countered in its dispute with the California department over its license by announcing that eastern interests are putting up additional capital of \$600,000. According to B. F. Boyd, general manager, Jack Kearns, former manager of Jack Dempsey, is head of the eastern syndicate to

FIDELITY AND DEPOSIT COMPANY

Fidelity
and Surety Bonds

OF MARYLAND
BALTIMORE

Burglary and
Plate Glass Insurance

FINANCIAL CONDITION AS OF DECEMBER 31, 1932

ASSETS

BONDS	\$8,099,283.57
Of the U. S. Government, states, counties, municipalities, public utilities, railroads, etc.	
STOCKS	6,582,132.25
Of basic industries, confined to seasoned issues.	
REAL ESTATE	2,417,300.00
Consisting of the Company's home office building which, together with the ground on which it stands, is assessed and valued at this figure.	
CASH IN BANKS AND OFFICES	1,089,015.23
MORTGAGE LOANS	108,000.00
Amply secured by improved property.	
PREMIUMS IN COURSE OF COLLECTION	1,939,351.34
Money due from agents and clients on bonds and policies issued within the past 90 days.	
ACCOUNTS RECEIVABLE	206,272.61
Interest due and accrued, reinsurance due from other companies and various other assets amply secured.	
TOTAL ASSETS	\$20,441,355.00

NOTE: All of the Company's securities are valued in this statement on the basis promulgated by the National Convention of Insurance Commissioners.

LIABILITIES

RESERVED FOR UNEARNED PREMIUMS	\$6,109,640.03
This sum was set aside to cover return premiums on bonds and policies which may be terminated before the end of the periods for which they were written.	
RESERVED FOR THE PAYMENT OF CLAIMS	5,786,452.87
When a claim is reported under any of its bonds or policies, the Company is required to estimate liberally and to set aside the amount it may be required to pay. This sum represents the total of such estimates.	
RESERVED FOR TAXES AND EXPENSES	754,910.23
This sum was set aside to cover state taxes on premiums and any other taxes payable during 1933, as well as various office expenses for which bills had not been rendered prior to December 31, 1932.	
RESERVED FOR MISCELLANEOUS PURPOSES	428,707.92
This item includes the sum of \$237,000 to cover depreciation on the home office building and equipment, while the balance covers various small accounts payable, not included under the previous heading.	
RESERVED FOR RETURN AND ADVANCED PREMIUMS	180,757.73
This sum was set aside to cover return premiums due on bonds or policies terminated prior to December 31, 1932, as well as to cover certain premiums which had been paid in advance and therefore had not been fully earned as of December 31, 1932.	
REINSURANCE PAYABLE TO OTHER COMPANIES	327,390.83
This sum was set aside to cover the payment of premiums due other companies for those portions of certain bonds or policies reinsured by this Company.	
RESERVED FOR CONTINGENCIES	2,000,000.00
	\$15,587,859.61
CAPITAL STOCK, PAID-UP	\$2,400,000.00
NET SURPLUS OVER ALL LIABILITIES	2,453,495.39
SURPLUS TO POLICY-HOLDERS	4,853,495.39
TOTAL LIABILITIES	\$20,441,355.00

back the Benjamin Franklin. Other members are Max Silverman, Newark, N. J.; Herman Spitzel, Los Angeles, and W. L. Johnson, New Jersey. Mr. Boyd reports that the added capital will increase the company's assets to approximately \$1,000,000 with a surplus of \$250,000. Expansion plans for entering 20 states, for the writing of all casualty and fidelity and surety lines are also announced. Mr. Boyd said that the company will deposit a new qualifying bond shortly to replace that of the Lexington Surety for \$20,000.

General Accident Figures

The General Accident has issued its annual figures showing assets \$24,988,157, premium reserve \$6,849,694, loss reserve \$3,580,894, contingency reserve \$3,000,000, policyholders surplus \$4,356,472. A year ago its assets were \$25,248,262, contingency reserve \$2,500,000 and its policyholders surplus \$4,332,522.

Acme Bonding's Financial Setup

Capital of \$1,000,000 has been determined and \$3,000,000 as surplus for the Acme Bonding & Indemnity recently incorporated at Elizabeth, N. J., and of which Horace R. Wemple, Jr., is the directing spirit. The company will write general fidelity and surety bonds first in its home territory, gradually extending to other sections.

Asked to Seize Assets

SAN FRANCISCO, Feb. 8.—Commissioner Mitchell has been requested by the New York department to seize all assets of the Greater City Surety of New York. The company was writing bail bond business in the state.

Will Write Life Insurance

The National Accident of Lincoln, Neb., has changed its name to the National Assurance. It has modified its articles of incorporation to permit it to write life insurance in addition to accident and health. G. L. Waters is president; J. L. Champe, vice-president; L. L. Waters, secretary-treasurer, and W. L. Harlan, agency supervisor.

American Automobile—Assets, \$8,560,780; dec. in assets, \$716,611; unearned prem., \$2,506,708; loss reserve, \$59,151; lab. res., \$2,660,251; comp. res., \$14,161; capital, \$1,000,000; net surplus, \$794,055; dec. in surplus, \$798,259; sec. fluct. res., \$1,174,751. Experience:

Prems. Losses
Automobile \$5,270,103 \$3,531,566

Employers Reinsurance—Assets, \$9,496,292; inc. in assets, \$253,231; unearned prem., \$2,207,366; loss reserve, \$524,360;

liab. res. \$2,175,111; comp. res. \$629,648; non-can. A. & H. res. \$18,229; capital, \$1,500,000; net surplus, \$1,435,837; dec. in surplus, \$534,094; sec. fluc. res., \$489,264. Experience:

	Prems.	Losses
Accident and health	\$25,062	\$210,957
Non-canc. H. & A.	115,963	100,132
Auto liability	2,999,739	1,412,944
Other liability	198,640	60,266
Workmen's comp.	298,746	196,065
Fidelity	96,672	18,519
Surety	174,533	47,080
Plate glass	4,679	2,974
Burglary and theft	186,314	140,526
Steam boiler	2,473	.....
Engine and mach.	1,955	157
Auto prop. damage	461,848	161,522
Auto collision	92,671	28,073
Other P. D. and Coll.	30,967	425
Credit	215,685	83,919
Total	\$5,133,006	\$2,463,565

United States Fid. & Guar.—Assets, \$51,829,691; dec. in assets, \$4,907,635; unearned prem., \$13,359,410; loss reserve, \$9,142,871; lab. res., \$6,595,590; comp. res., \$6,847,693; non-can. A. & H. res., \$12,793; capital, \$2,000,000; net surplus, \$7,086,976; inc. in surplus, \$3,513,250; secur., \$3,213,271. Experience:

	Prems.	Losses
Accident	\$944,853	\$695,522
Health	246,180	182,735
Non-canc. H. & A.	6,353	12,217
Auto. liability	6,475,387	4,478,756
Other liability	4,132,033	1,884,703
Workmen's Comp.	5,822,129	5,591,845
Fidelity	4,254,839	2,470,619
Surety	3,980,661	6,023,361
Plate glass	470,119	185,317
Burglary and theft	1,492,603	722,594
Auto prop. damage	2,043,311	775,652
Auto collision	459,348	239,439
Other P. D. and coll.	128,073	31,801
Sprinkler	17,579	8,033
Total	\$30,473,468	\$23,302,592

Standard Surety & Cas.—Assets, \$5,096,574; inc. in assets, \$1,164,322; unearned prem., \$752,866; loss reserve, \$188,005; lab. res., \$236,782; comp. res., \$785,918; capital, \$1,500,000; net surplus, \$1,388,037; inc. in surplus, \$375,499; secur., \$716,205. Experience:

	Prems.	Losses
Accident	1,988	\$ 159
Auto liability	441,638	175,234
Other liability	120,233	16,462
Workmen's comp.	397,103	159,749
Fidelity	156,648	82,724
Surety	142,012	292,693
Plate glass	59,118	17,672
Burglary and theft	77,752	17,652
Auto prop. damage	141,548	39,353
Auto collision	11,012	2,423
Other P. D. and Coll.	4,255	300
Total	\$1,553,312	\$ 804,421

*This reserve adjusts security valuations to actual market values of Dec. 31, 1932, for bonds and stocks.

American Surety—Assets, \$23,631,889; dec. in assets, \$1,191,343; unearned prem., \$5,865,994; loss reserve, \$4,968,339; lab. res., \$505,776; comp. res., \$134,179; capital,

\$7,500,000 net surplus, \$1,784,667; dec. in surplus, \$1,609,978; contingency reserve, \$2,000,000. Experience:

	Prems.	Losses
Auto liability	\$ 647,210	\$ 263,897
Other liability	221,759	47,539
Workmen's comp.	212,949	156,800
Fidelity	4,458,865	2,268,033
Surety	2,330,405	2,181,995
Plate glass	91,589	33,709
Burg. and theft	750,978	416,344
Auto prop. damage	202,888	71,026
Auto collision	15,505	8,172
Other P. D. and coll.	7,126	726
Total	\$8,939,274	\$ 5,448,241

Yorkshire Indemnity—Assets, \$2,342,404; dec. in assets, \$308,530; unearned prem., \$377,565; loss reserve, \$46,888; lab. res., \$349,655; capital, \$750,000; net surplus, \$584,753; inc. in surplus, \$56,452. Experience:

	Prems.	Losses
Accident	\$ 1,824	\$ 797
Auto liability	578,732	371,040
Other liability	25,146	3,394
Plate glass	16,624	4,599
Burglary and theft	8,363	1,261
Auto prop. damage	206,936	87,589
Auto collision	7,700	5,535
Other P. D. and Coll.	1,430	59
Total	\$ 846,755	\$ 474,274

Note—1,500 shares of stock sold; increase of surplus, \$350,000, Dec. 1932.

Travelers Indemnity—Assets, \$20,120,434; dec. in assets, \$950,017; unearned prem., \$6,318,958; loss reserve, \$1,482,819; lab. res., \$340,584; capital, \$3,000,000; net surplus, \$4,289,107; inc. in surplus, \$378,-811. Experience:

	Prems.	Losses
Auto liability	\$ 323,579	\$ 218,072
Other liability	193,545	76,512
Plate glass	551,935	203,809
Burglary and theft	2,038,832	732,852
Steam boiler	711,102	108,429
Engine and mach.	118,788	17,365
Auto prop. damage	4,938,105	1,828,998
Auto collision	1,189,318	671,595
Other P. D. and Coll.	275,509	69,648
Total	\$10,340,717	\$ 3,927,284

New York Cas.—Assets, \$5,008,714; dec. in assets, \$100,720; unearned prem., \$1,259,002; loss reserve, \$460,874; lab. res., \$931,341; comp. res., \$108,484; capital, \$1,000,000; net surplus, \$320,090; dec. in surplus, \$541,371; contingency reserve, \$575,000. Experience:

	Prems.	Losses
Auto liability	\$ 533,198	\$ 747,394
Other liability	239,076	128,171
Workmen's comp.	134,966	135,494
Fidelity	345,489	98,660
Surety	202,663	271,760
Plate glass	306,154	120,126
Burg. and theft	96,986	50,925
Auto prop. damage	227,940	113,001
Auto collision	13,808	11,415
Other P. D. and coll.	7,254	3,759
Total	\$2,427,534	\$ 1,680,705

Century Indemnity—Assets, \$6,612,842; inc. in assets, \$305,860; unearned prem.,

\$1,810,441; loss reserve, \$648,661; lab. res., \$1,442,127; comp. res., \$542,760; capital, \$800,000; net surplus, \$812,197; inc. in surplus, \$109,857; secur., \$142,198. Experience:

	Prems.	Losses
Accident	\$ 118,956	\$ 79,486
Health	22,478	12,173
Auto liability	2,041,421	1,207,724
Other liability	421,575	166,398
Workmen's comp.	955,636	625,124
Fidelity	143,611	61,741
Surety	211,616	673,869
Plate glass	116,846	55,135
Burglary and theft	216,264	101,357
Auto prop. damage	—2,260	33,576
Auto collision	—40	—2,042
Other P. D. and Coll.	17,292	2,473
Total	\$4,263,395	\$ 3,015,014

Buckeye Union Cas.—Assets, \$794,397; inc. in assets, \$114,496; unearned prem., \$290,921; loss reserve, \$11,801; lab. res., \$203,303; capital, \$100,000; net surplus, \$144,631; inc. in surplus, \$28,461; secur., \$15,000. Experience:

	Prems.	Losses
Accident, auto	\$ 6,825	\$ 2,426
Fire, auto	40,689	12,975
Auto. liability	327,146	111,948
Other liability	9,880	3,403
Theft, auto	34,751	13,309
Tornado, auto	3,654	230
Plate glass	12,459	5,238
Burglary and theft	5,379	1,688
Auto prop. damage	143,996	35,327
Auto collision	63,254	30,743
Other P. D. and coll.	2,343	589
Towing	143	74
Total	\$ 650,521	\$ 217,950

Travelers—Assets, \$674,492,525; inc. in assets, \$12,971,518; unearned prem., \$15,669,875; loss reserve, \$4,796,930; lab. res., \$12,925,424; comp. res., \$19,525,948; non-can. A. & H. res., \$495,622; capital, \$20,000,000; dec. in surplus, \$18,139,869; dec. in surplus, \$4,173,849. Experience:

	Prems.	Losses
Accident	\$8,953,840	\$ 4,715,856
Health	2,688,323	2,105,169
Non-canc. H. & A.	102,121	191,824
Auto liability	15,950,736	9,765,848
Other liability	4,313,423	1,637,231
Workmen's comp.	11,293,694	9,867,584
Total	\$43,302,139	\$ 28,283,514

State Auto Assoc.—Assets, \$280,131; dec. in assets, \$59,894; unearned prem., \$95,098; loss reserve, \$7,001; lab. res., \$63,201; net surplus, \$100,392; inc. in surplus, \$38,116. Experience:

	Prems.	Losses
Motor vehicle	\$ 523,900	\$ 253,902

Hartford Live Stock—Assets, \$1,330,531; dec. in assets, \$147,848; unearned prem., \$114,511; loss reserve, \$20,137; net surplus, \$500,000; dec. in surplus, \$603,114; secur., \$62,509. Experience:

	Prems.	Losses
Live stock	\$ 269,561	\$ 328,471

Benefit Assn. of Rail Employees—Assets, \$1,769,955; dec. in assets, \$327,712; unearned prem., \$99,295; loss reserve,

INDIANA INSURANCE COMPANY

A STOCK COMPANY CHARTERED 1851—OPERATING ONLY IN INDIANA

Capital, Surplus and Reserves for Protection of Policyholders over \$700,000.00

Writing

AUTOMOBILE
All Lines in One Policy

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FIRE and WINDSTORM
Combined coverage, equal or unequal amounts, in one policy.
Excellent reinsurance facilities

COOLING-GRUMME-MUMFORD CO.
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Unexcelled contracts

SPECIAL AGENTS

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DESIRABLE AGENCY CONTRACTS AVAILABLE IN UNALLOCATED TERRITORY.

COMPLETE AUTOMOBILE PROTECTION
FIRE--WINDSTORM
FIDELITY & SURETY BONDS

\$618,985; net surplus, \$876,816; dec. in surplus, \$319,656; sec. fluct. res., \$47,310. Experience:

Premises Losses
Accident and health \$2,509,572 \$1,713,363

Bankers Indemnity—Assets, \$5,718,414; inc. in assets, \$651,426; unearned prem., \$1,773,086; loss reserve, \$248,670; lab. res., \$1,107,687; comp. res., \$319,349; capital, \$1,100,000; net surplus, \$700,000; inc. in surplus, \$40,000; sec. fluct. res., \$131,237. Experience:

	Premises	Losses
Accident	\$ 25,167	\$ 15,742
Health	5,155	3,605
Auto liability	1,808,360	804,100
Other liability	388,302	106,353
Workmen's comp.	684,763	402,710
Fidelity	4,648	11,984
Surety	692	63,702
Plate glass	137,754	64,367
Burglary and theft..	142,969	51,189
Auto prop. damage..	554,190	213,721
Auto collision	35,552	20,449
Other P. D. and Coll.	19,189	4,105
Total	\$3,806,741	\$1,762,027

Loyal Protective—Assets, \$1,294,722; dec. in assets, \$62,949; unearned prem., \$183,058; loss reserve, \$395,800; non-can. A. & H. res., \$26,250; capital, \$200,000; net surplus, \$262,701; inc. in surplus, \$8,125; secur., \$175,000. Experience:

	Premises	Losses
Accident and health	\$1,134,884	\$ 834,162
Non-canc. A. & H.	494,885	300,610
Total	\$1,629,770	\$1,134,773

National Automobile, Cal.—Assets, \$848,266; dec. in assets, \$114,361; unearned prem., \$231,008; loss reserve, \$20,602; lab. res., \$36,949; comp. res., \$200,442; capital, \$250,000; net surplus, \$63,395; dec. in surplus, \$56,923. Experience:

	Premises	Losses
Auto. liability	\$ 20,309	\$ 40,216
Other liability	12,070	4,165
Workmen's comp.	421,494	214,007
Fidelity	399	989
Surety	11,239	5,380
Burglary and theft..	967	1,572
Auto prop. damage..	5,807	5,689
Auto collision	15,159	11,275
Other P. D. and coll.	371	18,851
Total	\$ 560,006	\$ 302,172

Suburban Auto—Assets, \$371,280*; dec. in assets, \$44,623; unearned prem., \$76,480; loss reserve, \$3,153; lab. res., \$22,759; capital, \$200,000; net surplus, \$53,366; inc. in surplus, \$696. Experience:

	Premises	Losses
Auto liability.....	\$ 78,423	\$ 37,135
Plate glass	331	88
Auto prop. damage..	31,847	14,738
Auto collision	11,972	6,929
Auto fire, theft, etc.	24,821	9,099
Total	\$ 147,394	\$ 67,989

*Stocks and bonds valued at actual Dec. 31, 1932, market quotations.

State Auto Assoc., Ind.—Assets, \$2,398,467; inc. in assets, \$16,925; unearned prem., \$473,523; loss reserve, \$494,232; net surplus, \$1,055,000; inc. in surplus, \$5,000.

Bonds priced for statement purposes at closing "bid" prices on exchanges 12-31-32, and in addition it has created a fluctuation reserve of \$194,984.13.

Hardware Mutual Cas.—Assets, \$4,938,555; inc. in assets, \$236,421; unearned prem., \$2,059,375; loss reserve, \$115,658; lab. res., \$1,360,862; comp. res., \$362,041; net surplus, \$903,994; inc. in surplus, \$44,192; sec. fluct. res., \$40,000. Experience:

	Premises	Losses
Accident	\$ 10,038	\$ 4,471
Auto liability	2,461,850	939,395
Other liability	115,442	22,526
Workmen's comp.	857,645	461,773
Plate glass	124,765	44,564
Burglary and theft..	54,462	10,089
Auto prop. damage..	803,241	234,991
Auto collision	224,133	118,037
Other P. D. and Coll.	11,635	932
Total	\$4,663,211	\$1,836,778

Shelby Mut. Plate Glass & Cas.—Assets, \$900,748; inc. in assets, \$77,779; unearned prem., \$318,201; loss reserve, \$25,342; lab. res., \$33,367; net surplus, \$458,499; inc. in surplus, \$7,018; inc. res., \$30,000; experience:

	Premises	Losses
Auto liability.....	\$ 140,865	\$ 35,330
Other liability	8,214	517
Plate glass	421,148	219,793
Auto prop. damage..	57,404	18,148
Auto collision	789	752
Total	\$ 628,424	\$ 269,541

CASUALTY ASSOCIATION NEWS

Ohio Association's Election

All Officers Renamed at Annual Meeting in Columbus—Pending Legislation Discussed

The Ohio Association of Casualty and Surety Managers, at its annual meeting in Columbus Tuesday, reelected officers as follows: John J. Parks, Cleveland, president; E. D. Sweet, Cleveland, vice-president; Chester H. Taylor, Columbus, secretary-treasurer. Ralph Tredway of Columbus was named as a new member of the executive committee. Other executive committee members are: Charles H. Harris, Cleveland; George F. Ainslie, Jr., Columbus; William C. Smith, Columbus; John H. Parks, Cleveland; E. D. Sweet, Cleveland, and Chester H. Taylor, Columbus.

John B. Gillespie, Jr., Columbus, chairman of the legislative committee, reported on bills before the legislature

which affect the casualty business. The association is planning a membership campaign and another meeting will be held in Columbus next Tuesday. The Ohio association is working in close touch with the Ohio Fire Underwriters Association and the Association of Casualty & Surety Executives in New York.

Burglary Club Elects

A. A. Rice of the Great American Indemnity was elected president of the Burglary Underwriters Club of Chicago at the annual meeting. Other new officers are: Vice-president, George Boynton, Standard Accident, and secretary-treasurer, Martin Patt, United States Fidelity & Guaranty. Mr. Rice succeeds H. P. Schewe, Glens Falls Indemnity. The executive committee consists of Mr. Schewe, W. A. Coen, Fidelity & Deposit; James Tallon, Travelers Indemnity, and A. P. Lachal, Lloyds Insurance Company.

F.U.A.P. Gathers in San Francisco

(CONTINUED FROM PAGE 3)

most important consideration in so far as the field man is concerned."

"However," he continued, "in consideration of our own problems we cannot ignore those of our partners in the business—the agents—they too have been tried by the economic fires and for the most part they have come through victorious. While we have been learning the lesson that we need not more agents but better agents, they have been learning that they need not more assureds so much as they need reliable assureds. They are learning to judge their clients on ability to pay and they appreciate that mere volume must be subordinated to the production of profitable business."

At the annual banquet, in charge of C. L. Barsotti, assistant manager Fire Association, President-elect McKinley made his first formal address. Talks on business and economic themes were presented by H. F. Grady, University of California, and C. H. Rowell, editor San Francisco "Chronicle." Mayor A. J. Rossi of San Francisco welcomed the guests on behalf of the city. Other guests included several insurance commissioners and state officials from Pacific Coast states.

Blue Goose Show Held

The annual "big show" and "jinks" of the San Francisco Blue Goose, which always precedes the annual meeting of the Fire Underwriters Association of the Pacific, was held Monday evening. Following a "jiggs dinner," the several hundred ganders adjourned to the general assembly hall where H. G. Nason, superintendent of agents America Fore, presented his annual show which depicts the insurance fraternity in action, in a humorous vein. For the first time in the history of the pond non-members were permitted to attend the banquet and entertainment.

Elected to honorary membership by reason of 25 years of continuous membership in the association were: R. T. Archer, independent adjuster Los Angeles; F. M. Avery, manager Fire Association; F. M. Branch, manager New York Underwriters; L. M. McKinley, Phoenix, Ariz., independent adjuster; F. J. Perry, assistant manager Royal; F. J. Schoenemann, North British & Mercantile; F. H. Young, superintendent of agencies Springfield Fire & Marine.

In his review of the "Problems of the Field Man and the Lessons to Be Learned from the Past Two Years," Carl N. Homer, Seattle, manager of the Travelers, gave an inspirational address in which he pointed to the necessity for pride in his job on the part of the field

man, for confidence in himself and the business he represents.

He urged the wholehearted support of "separation." "It is unfortunate," he said, "that the field men are not given stronger support in this movement by the companies. The greatest obstacle to the successful enforcement of separation is the failure to include automobile business in the program."

Wants Credit Rule Enforced

He urged the enforcement of the credit rule, saying "there should be no temporizing with an agent in the matter of collections. The fire insurance business must continue to be conducted as a cash business or it cannot survive." Objection on the part of the agent should be a danger signal, he said, "in fact, threats—veiled or otherwise—to resign the agency because the company continues to insist upon the prompt collection and payment of premiums should be regarded with much suspicion as there is apt to be something wrong and the next step is an 'N. S. F.' check. Retiring from an agency before it 'goes broke' is still a good plan."

A. G. Westcott, president Insurance Buyers Association of San Francisco, in discussing the "Problems of the Insurance Buyer," presented a chart in which he showed the great difference in provisions of fire insurance policies in the various states. He made a plea for the use of standard policies in all states and territories, urging the adoption of a model fire insurance policy.

Stresses Need for Association

Walter Van Orden, manager Pacific Factory Insurance Association, stressed the necessity for the establishment of his organization during a period of industrial depression. The combining of \$1,423,000,000 assets of the company members of the association offers great financial stability and enables the stock companies to meet the competition of other carriers which might seriously affect the financial stability of stock companies.

The greater service demanded by policyholders makes it necessary to have a centralized agency to handle fire protection matters in servicing risks. The factory association service does not interfere with the work of the local agent or broker, but is offered as a supplemental service by which the stock companies may offer superior inspection and engineering service and underwrite large risks at lower cost.

Vice-President Rucker Retires

T. W. Rucker, Jr., vice-president of the Indemnity of North America, has retired from active service, being placed on the pension list.

Stricter Balance Rules Imperative

(CONTINUED FROM PAGE 3)

for bad accounts, it would also stop the tremendous loss to all companies through their inability to collect premiums on policies which are in force for a short time and returned for flat cancellation. This item if calculated for all companies in the field would run into an unbelievable figure. The change in system would also automatically eliminate the necessity of writing many policies which are cancelled before the premium is due to the carrier, and the saving which would result in this manner would mean a great deal in dollars and cents to all companies.

"Of course," he said, "a change of this kind would not be made over night. The method of procedure should probably be the tightening of credit rules over a period of time in order not to cause embarrassment to the agency plants of the various companies. In putting such a plan into effect the companies must take one step further to assist their agents and relieve them of the ever-increasing burden of financing premiums for the assureds if they are to protect the commissions involved on the business written by them."

"The savings made by the companies under the plan which I have outlined could well be used in the establishment of a plan for financing premiums at a normal rate of interest. The agent would be in a position to take care of his clients who are not able to pay their premiums in advance under a legitimate finance plan which would mean protection to them in holding the business, and the elimination of large accounts receivable on their books. A legitimate plan should be readily accepted by the assured who would then be given the privilege of paying his premiums over a period of months."

Jersey City Auto Rates Increased

(CONTINUED FROM PAGE 27)

rests with assureds, a truth that should be emphasized by agents in their contacts with clients.

Local agents can materially aid the loss records of their companies by exercising care in the selection of risks and by taking an active interest in all accident prevention movements in their respective localities.

Opens Kansas City Office

The Central Insurance Office, recently incorporated by B. A. Hoffman, William Root and Frank Gannon of St. Louis, has opened a service office in Kansas City to represent the Independence Indemnity Underwriters but will not write any direct business.

Harry David, former vice-president and general manager of the Indemnity of America, is in charge of the Kansas City office, assisted by Ernest Hilley, field representative for Hoffman Son & Co. of St. Louis.

In connection with this new office the Insurance Audit Survey Corporation also opens a Kansas City office.

Nebraska Casualty Legislation

LINCOLN, NEB., Feb. 8.—Bills were introduced in the Nebraska legislature just before the time limit expired allowing insurance companies to be linked as defendants in automobile damage cases and permitting surety companies to put up with the state treasurer 50 percent of the amount of their obligations on bonds covering deposits of public funds in banks.

E. A. Winter has moved his office from the First National Bank building to 902 Times-Star tower, Cincinnati. This is the new building at Eighth and Broadway, erected by the Taft newspaper in Cincinnati, the "Times-Star."

ACCIDENT AND HEALTH FIELD

Interest in Colorado Bill

Insurance Men Hope to Get Law to Make Suicide Not an Accident

DENVER, COLO., Feb. 8.—Suicide in this state will no longer be held by law to be an accident if a measure introduced in the Colorado legislature is passed. At present a court decision of many years' standing holds suicide to be an accident and hence of course forcing companies to pay double indemnity or other accidental death benefits not contemplated by the policy.

The measure offered in the legislature is backed by life insurance men in the hope that it will bring about increased confidence of life companies in the writing of accidental death benefits. The original case upon which the decision is based was on an accident policy.

Val Hawkins With Standard

Val H. Hawkins, former accident and health manager and production man for the General Accident and Commercial Casualty in Illinois, has been placed in charge of the accident and health division of the Standard Accident's Chicago branch office under Manager V. H. Bartholomew. Mr. Hawkins is one of the best known accident and health men in Chicago, having been active in that field for many years, and is regarded as

an especially capable underwriter and production man.

Harvey Heads New Company

M. L. Harvey, who organized the Physicians Health & Accident of Nashville, Tenn., and later a company of the same name at Dallas, Tex., is now head of the Physicians Mutual Protective Union of Nashville. This company issues and sells by mail and through agents physicians' disability income policy paying \$5,000 principal sum, and \$200 monthly indemnity, the premium on which is \$8 per month, ages 18-45, \$9 ages 45-55, \$10 ages 56-60, and \$12 ages 61-65.

Annual Meeting This Week

The annual meeting of members of the Bureau of Personal Accident & Health Underwriters at the Waldorf-Astoria Hotel, New York City, is being held today (Thursday). A number of important reports are to be submitted.

Tower A. & H. Club Speaker

Walt Tower, managing director of the Chicago Association of Life Underwriters, will address the Chicago Accident & Health Club Feb. 13 at the Midland Club on benefits of organization for agents and managers. He will tell of the results that have been accomplished along that line among the life insurance men in Chicago and give some suggestions as to how the same methods may be applied in the accident and health field.

FIDELITY AND SURETY NEWS

New Service Is Available

Hooper-Holmes Bureau of New York Announces Plan for Getting Contract Bond Data

NEW YORK, Feb. 8.—As an additional service to surety companies in following their contract bond lines, the Hooper-Holmes Bureau of this city inaugurated a departure that should prove of considerable value. Designated "job status report," the service is designed to reduce underwriting hazard materially by furnishing a complete check-up of the progress of each job, payments to and from the general contractor, and the difficulties, if any, that the general contractor may experience in completing his contract or in its financing. The system is the result of interviews with architects, prominent contractors and surety underwriters.

In developing this feature of its reporting service the extensive facilities of the Hooper-Holmes Bureau will be used, including the staff of its main of-

fice, that of its 59 branch offices and of the salaried inspectors in close to 3,800 centers throughout the country.

New Deposit Guaranty Plan

OKLAHOMA CITY, Feb. 8.—Oklahoma tried to guarantee deposits of state banks for several years and failed. In 1923 the bank guaranty law, in operation since statehood, was repealed, leaving a large amount of claims against the fund which have not been settled.

Now a bill has been introduced requiring every state bank to "make a good and sufficient bond with the bank commissioner" for the benefit of depositors. This bond must "be in amount not less than one-fourth the average daily balance of such bank for the previous calendar year." State, county, municipal or school district bonds or warrants will be acceptable in making such bond. If a bank liquidates, the bonds and other securities held by it would be liable for the payment of unsecured deposits after the assets of the bank have first been applied for that purpose.

CASUALTY PERSONALS

Miss Rachel E. Chambers of Portland, superintendent of the women's department of the North American Accident for Oregon, qualified by her 1932 production as leader in the women's division covering 48 states, ranking with the best men producers of the company.

Henry B. Bale, who retired recently as Chicago branch manager for the Standard Accident, and Mrs. Bale, who returned to the office last year temporarily to resume her old position as accident and health department manager, are preparing to go to Miami Beach about Feb. 15, where they will spend a vacation of a month or more. Mr. Bale in the month since he entered

personal production, officing with the Standard's branch in Chicago, has built up a large premium volume. Mrs. Bale has elected to remain actively in insurance as his secretary.

J. C. Griswold, resident vice-president of the Continental Casualty's new branch office in Chicago in charge of production, is planning to leave for Miami, Fla., about Feb. 10, where he will spend several weeks on vacation. On his return trip he will stop off at Ocean Springs for several rounds of golf.

F. E. Schoner, now associated with the Yorkshire Indemnity as manager of its burglary department, is well versed

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in his line, having been identified with the burglary branch of insurance since 1918, serving successively with the Great Eastern Casualty and with the Union Indemnity. For the past two and a half years he was head of the production division for the Union Indemnity in New York metropolitan territory.

W. H. Hansmann, manager of the Illinois state department of the Fidelity & Deposit, is passing the cigars because of the arrival of a daughter in his family.

Ira F. Libby, 65, for 30 years secretary-treasurer of the Commercial Travelers Eastern Accident of Boston, died there following two weeks' illness. He was active in insurance organization

work and had served for a number of years as secretary of the International Federation of Commercial Travelers Insurance Organizations.

C. F. Frizzell, vice-president Indemnity of North America, is on a Pacific Coast trip.

E. C. Stone, president American Employers and Employers Fire and United States manager of the Employers Liability, speaking at a meeting of agents, field men and attorneys at Little Rock, Ark., said his companies made an underwriting profit in 1932 and also showed a higher premium income. Accompanied by H. R. Egloff of New Orleans, Gulf department manager, Mr. Stone went from Little Rock to Tulsa, Okla.

WORKMEN'S COMPENSATION

Hearing on Oklahoma Bills

State Fund Measure, Backed by State Administration, Considered Likely to Go Through

OKLAHOMA CITY, Feb. 8.—The workmen's compensation bill indorsed by the Associated Industries was introduced this week. It rewrites the whole workmen's compensation code, changing the state industrial commission from a three-member to a five-member commission. Compensation schedules are changed, important changes are made in the period when a case may be reopened, and for appeals to the supreme court from commission awards. The bill is approved by the insurance interests.

Numerous efforts were made to arrive at an understanding on this bill with the state administration, labor and the industrial commission. These negotiations were most unfortunately not successful, and the bill will have little administration support. Another bill is similar to the one offered at the last session, allowing injured employees to select their own physicians. Still another would provide that dependents may continue to draw compensation awarded a head of the family, if that person should die before expiration of the period in which the compensation applies.

The labor and arbitration committee of the House held a hearing yesterday on these bills and also the one providing for a state fund, which has the support of the administration and the industrial commission, and passage of which is felt to be very probable. Insurance men generally are not opposed to such an act. It is felt that such a fund furnishes the only method by which many risks can be covered, and that the existence of such an agency will make the placing and keeping of other lines considerably easier.

Carriers' Liability in East River Explosion Is Upheld

NEW YORK, Feb. 8.—The United States circuit court of appeals has denied an injunction asked by the Albee Godfrey Whale Creek Company to restrain the state industrial board from making compensation awards to victims of the explosion on the steamer "Observation" in the East river last September, thus establishing the liability of the carrier companies unless a successful appeal is taken. The petition was denied without prejudice to the claim that as claims were based on a maritime dis-

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aster the federal compensation laws and not the state act governed.

The state fund is understood to be interested in nearly 70 of the 130 death claims involved. The Whale Creek company was a sub-contractor to the P. J. Carlin Co., main contractors, the latter company being insured in the Travelers and having a very small number of claims, due to the fortunate fact that almost all of the Carlin workmen had crossed the river on a previous trip of the steamer.

Oppose Missouri "Economy" Plan

JEFFERSON CITY, MO., Feb. 8.—Governor Park's plan to reorganize the workmen's compensation commission so as to eliminate two of the three members in the interest of economy met with decided opposition from organized labor, the industries of the state and insurance companies and agents at a public hearing conducted by a senate committee.

The chief argument against the change was that it would place entirely too much responsibility and power in the hands of one man, that he could not review compensation claims promptly or efficiently and that compensation allowance would be unduly delayed.

Among those who spoke against the bill were A. D. Lansing, representing the Missouri Insurance Council, and H. R. Northrup of the Associated Industries of Missouri.

To Cover Occupational Disease

SALT LAKE CITY, Feb. 8.—A bill has been introduced in the Utah legislature to extend the operation of the workmen's compensation law to include all occupational diseases.

Idaho Fund Raises Rates

BOISE, IDAHO, Feb. 8.—An increase in compensation rates, covering nearly all classifications, is announced by the state fund. The increase is not uniform. Although the new rates were described as being 25 percent below those prescribed by the National Council on Compensation Insurance, it was admitted that there is a "very material" increase.

P. C. O'Malley, director, in a recent report to the legislature indicated that approximately \$25,000 had been used from reserves the past year.

Combine South Dakota Posts

Under a bill introduced in the South Dakota legislature, the attorney-general is also made industrial commissioner. Such persons as have previously been appointed assistant attorney-general may be made deputies to the industrial commissioner, but without any additional salary.

T. A. Reese, formerly in charge of the compensation and liability department of R. B. Jones & Sons of Kansas City, now is chief underwriter in the Kansas City service office of the Employers Liability.

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